

1 ROLAND TELLIS (SBN 186269)
2 **BARON & BUDD, P.C.**
3 15910 Ventura Blvd., Suite 1600
4 Encino, California 91436
5 Telephone: (818) 839-2333
6 rtellis@baronbudd.com

7 STEPHEN G. LARSON (SBN 145225)
8 **LARSON LLP**
9 555 South Flower Street, 30th Floor
10 Los Angeles, California 90071
11 Telephone: (213) 436-4888
12 slarson@larsonllp.com

13 JASON L. LICHTMAN (pro hac vice)
14 **LIEFF CABRASER HEIMANN & BERNSTEIN LLP**
15 250 Hudson Street
16 New York, New York 10013
17 Telephone: (212) 355-9500
18 jlichtman@lchb.com

19 *Attorneys for Plaintiffs and Interim Co-Lead Class Counsel*
20 *(additional Plaintiffs' counsel appear on the signature block)*

21
22 **UNITED STATES DISTRICT COURT**
23 **CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION**

24 In re: Shimano Crankset Litigation

25 Case No.: 8:23-cv-02038-JVS(JDEx)

26 **SECOND AMENDED**
27 **CONSOLIDATED CLASS**
28 **ACTION COMPLAINT**

JURY TRIAL DEMANDED

Judge: Hon. James V. Selna

TABLE OF CONTENTS

	Page
INTRODUCTION	1
PARTIES.....	5
JURISDICTION AND VENUE	23
COMMON FACTUAL ALLEGATIONS.....	24
A. The Defective Cranksets and Class Bicycles.....	24
B. Defendants’ Prior Knowledge of the Defective Cranksets.....	28
C. Defendants’ Knowledge of the Defective Cranksets.....	28
D. Defendants’ Misrepresentations and Omissions Regarding the Defective Cranksets and Class Bicycles.....	39
E. Defendants’ Duty to Disclose the Crankset Defect	47
F. Defendants’ Recall Is Inadequate to Remedy the Defect or Harm Suffered by Plaintiffs and the Other Class Members	50
G. Plaintiffs’ Counsel Served Defendants with Sufficient Pre-Suit Notice	54
H. Safety Risks Associated with Use of the Class Bicycles and Defective Cranksets and Harm Suffered by Plaintiffs and the Other Class Members.....	56
TOLLING OF APPLICABLE STATUTE OF LIMITATIONS	59
CLASS ACTION ALLEGATIONS	61
INADEQUACY OF LEGAL REMEDIES.....	68
CLAIMS ASSERTED ON BEHALF OF THE NATIONWIDE CLASS	69
A. COUNT I: FRAUD.....	69
1. Affirmative Misrepresentation.....	69

TABLE OF CONTENTS

		Page
1	2. Omission/Concealment	71
2	B. COUNT II: UNJUST ENRICHMENT	75
3	C. COUNT III: VIOLATIONS OF CALIFORNIA’S CONSUMER	
4	LEGAL REMEDIES ACT (CAL. CIV. CODE §§ 1750, <i>ET SEQ.</i>)	78
5	D. COUNT IV: FALSE ADVERTISING UNDER THE	
6	CALIFORNIA FALSE ADVERTISING LAW (CAL. BUS. &	
7	PROF. CODE §§ 17500, <i>ET SEQ.</i>)	85
8	E. COUNT V: VIOLATION OF CALIFORNIA’S UNFAIR	
9	COMPETITION LAW (CAL. BUS. & PROF. CODE § 17200, <i>ET</i>	
10	<i>SEQ.</i>)	91
11	F. COUNT VI: VIOLATIONS OF THE SONG-BEVERLY ACT	
12	(CIV. CODE § 1790, <i>ET SEQ.</i>), VIA BREACH OF IMPLIED	
13	WARRANTY	98
14		
15	CLAIMS ASSERTED ON BEHALF OF CALIFORNIA STATE	
16	SUBCLASS	100
17	A. COUNT VI: BREACH OF EXPRESS WARRANTY (CAL. COM.	
18	CODE §§ 2313 AND 10210)	100
19	B. COUNT VII: BREACH OF IMPLIED WARRANTY OF	
20	MERCHANTABILITY (CAL. COM. CODE §§ 2314 AND	
21	10212)	104
22	C. COUNT VIII: VIOLATIONS OF THE SONG-BEVERLY ACT	
23	(CIV. CODE § 1790, <i>ET SEQ.</i>), VIA BREACH OF IMPLIED	
24	WARRANTY	107
25		
26		
27		
28		

TABLE OF CONTENTS

		Page
1	D. COUNT IX: VIOLATIONS OF CALIFORNIA’S CONSUMER	
2	LEGAL REMEDIES ACT (CAL. CIV. CODE §§ 1750, <i>ET SEQ.</i>).....	110
3	E. COUNT X: FALSE ADVERTISING UNDER THE	
4	CALIFORNIA FALSE ADVERTISING LAW (CAL. BUS. &	
5	PROF. CODE §§ 17500, <i>ET SEQ.</i>).....	117
6	F. COUNT XI: VIOLATION OF CALIFORNIA’S UNFAIR	
7	COMPETITION LAW (CAL. BUS. & PROF. CODE § 17200, <i>ET</i>	
8	<i>SEQ.</i>).....	124
9	G. COUNT XII: FRAUD	130
10		
11	1. Affirmative Misrepresentation.....	131
12	2. Omission/Concealment.....	132
13	H. COUNT XIII: UNJUST ENRICHMENT	136
14	CLAIMS ASSERTED ON BEHALF OF FLORIDA STATE SUBCLASS	139
15		
16	A. COUNT XIV: BREACH OF EXPRESS WARRANTY (FLA.	
17	STAT. § 672.313)	139
18	B. COUNT XV: BREACH OF IMPLIED WARRANTY OF	
19	MERCHANTABILITY (FLA. STAT. § 672.314).....	142
20	C. COUNT XVI: VIOLATIONS OF THE FLORIDA DECEPTIVE &	
21	UNFAIR TRADE PRACTICES ACT (FLA. STAT. §§ 501.201,	
22	<i>ET SEQ.</i>)	145
23	D. COUNT XVII: FRAUD.....	151
24		
25	1. Affirmative Misrepresentation.....	152
26	2. Omission/Concealment.....	153
27	E. COUNT XVIII: UNJUST ENRICHMENT	157

TABLE OF CONTENTS

		Page
1	CLAIMS ASSERTED ON BEHALF OF ILLINOIS STATE SUBCLASS.....	160
2	A. COUNT XIX: BREACH OF EXPRESS WARRANTY (810 ILL.	
3	COMP. STAT. 5/2-313)	160
4	B. COUNT XX: BREACH OF IMPLIED WARRANTY OF	
5	MERCHANTABILITY (801 ILL. COMP. STAT. 5/2-314).....	164
6	C. COUNT XXI: VIOLATION OF ILLINOIS CONSUMER FRAUD	
7	AND DECEPTIVE BUSINESS PRACTICES ACT (815 ILL	
8	COMP. STAT. 505/1, <i>ET SEQ.</i>).....	167
9	D. COUNT XXII: VIOLATION OF THE ILLINOIS UNIFORM	
10	DECEPTIVE TRADE PRACTICES ACT (815 ILL. COMP.	
11	STAT. 510/1, <i>ET SEQ.</i>).....	173
12	E. COUNT XXIII: FRAUD	177
13	1. Affirmative Misrepresentation.....	178
14	2. Omission/Concealment.....	179
15	F. COUNT XXIV: UNJUST ENRICHMENT	183
16	CLAIMS ASSERTED ON BEHALF OF NEW YORK STATE SUBCLASS	186
17	A. COUNT XXV: BREACH OF EXPRESS WARRANTY (N.Y.	
18	U.C.C. §§ 2-313).....	186
19	B. COUNT XXVI: BREACH OF IMPLIED WARRANTY OF	
20	MERCHANTABILITY (N.Y. U.C.C. §§ 2-314).....	189
21	C. COUNT XXVII: VIOLATIONS OF NEW YORK GENERAL	
22	BUSINESS LAW § 349 (N.Y. GEN. BUS. LAW § 349, <i>ET SEQ.</i>)	192
23	D. COUNT XXVIII: VIOLATIONS OF NEW YORK GENERAL	
24	BUSINESS LAW § 350 (N.Y. GEN. BUS. LAW § 350, <i>ET SEQ.</i>)	197

TABLE OF CONTENTS

	Page
E. COUNT XXIX: FRAUD	203
1. Affirmative Misrepresentation.....	203
2. Omission/Concealment	205
F. COUNT XXX: UNJUST ENRICHMENT.....	209
REQUEST FOR RELIEF	211
JURY DEMAND	213

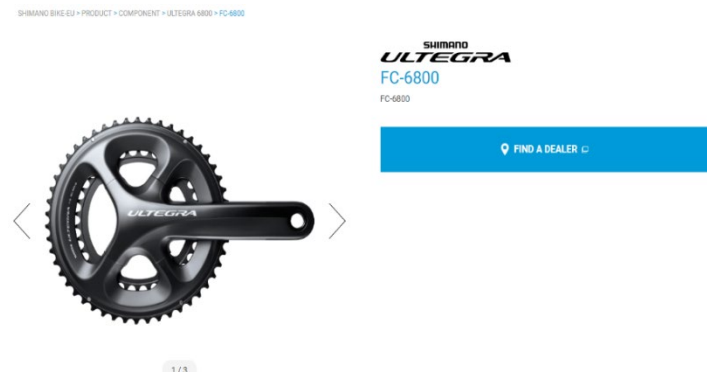
SECOND AMENDED CONSOLIDATED CLASS ACTION COMPLAINT¹

Plaintiffs Steven Adelman, John Bongiovanni, Jose Delgado, Jose Erazo, Dave Gonyer, Jarett Hawkins, Christopher Jennings, Moussa Kouyate, Marcus Lewis, Kevin Litam, Maurice Scorsolini, Dimitri Semizarov, and Mike Tirado (collectively, “Plaintiffs”), individually and on behalf of all others similarly situated, bring this Amended Consolidated Class Action Complaint against Defendants Shimano North America Bicycle Inc. and Shimano North America Holding Inc. (together, “Shimano”), Specialized Bicycle Components Inc. (“Specialized”), Trek Bicycle Corporation (“Trek”), and Giant Bicycle, Inc. (“Giant”) (together, the “Bicycle Manufacturer Defendants,” and with Shimano, “Defendants”), and upon personal knowledge as to Plaintiffs’ own conduct, and on information and belief as to all other matters based on an investigation by counsel, allege as follows:

INTRODUCTION

1. People trust and rely on manufacturers of bicycles and bicycle components to make safe products that do not give rise to a clear danger of personal injury. A “crankset” is the component of the bicycle that the chain and pedals attach to for pedaling. An example of a crankset from Shimano’s website is included below.

2. The crankset is critical to the functionality of a bicycle because without



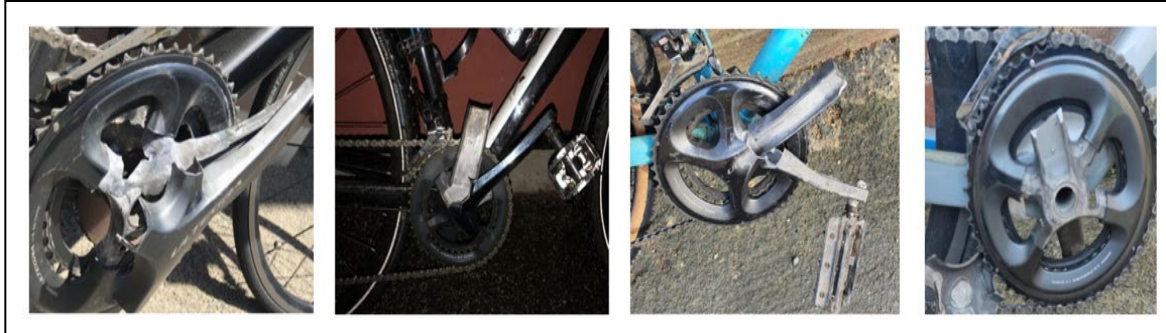
the bicycle cannot be pedaled. The crankset is also critical to the safety of the

¹ Plaintiffs file this Second Amended Complaint pursuant to the terms of the Settlement Agreement.

1 bicycle because if it breaks while the bicycle is being ridden, the operator of the
2 bicycle can fall off the bicycle or lose control and crash – concerns which are
3 particularly applicable to modern “road” bicycles that are often ridden at high speed,
4 near motor vehicles, with the operator’s feet clipped into the pedals attached to the
5 end of the crank arms.

6 3. This case concerns certain “Hollowtech” 11-speed road cranksets (as
7 defined below, the “Defective Cranksets”) sold and distributed by Shimano and
8 equipped on bicycles manufactured and sold by the Bicycle Manufacturer
9 Defendants. “Class Bicycles” refers to all bicycles sold by the Bicycle Manufacturer
10 Defendants that came equipped with a Defective Crankset.

11 4. The Defective Cranksets share a common, uniform defect: the bonded
12 crank parts can separate and break, posing a crash hazard to consumers. Examples
13 of cranksets with certain bonded crank parts separated are pictured below.



14
15
16
17
18
19
20 5. As a result of the common defect, instead of functioning as intended
21 and as consumers expect, the Defective Cranksets can separate while the bicycle is
22 in operation, causing crashes and significant personal injuries.



6. The serious danger posed by the Defective Cranksets was not disclosed to consumers until September 21, 2023, when, after years of denials, Shimano finally acknowledged the widespread issue with the Defective Cranksets and issued a recall.

7. Even though Shimano has finally acknowledged the widespread issue, it is working hard to limit the cost of fixing the issue at the expense of consumers. Rather than issuing refunds or replacements for all of the Defective Cranksets, Shimano has taken the unconscionable position that only “[c]onsumers whose cranksets show signs of bonding separation or delamination during [an] inspection will be provided a free replacement crankset . . . that the dealer will professionally

1 install.”

2 8. This proposed remedy is a nightmare for riders and bike shops. Owners
3 are left without usable bicycles while they get in line with hundreds of thousands of
4 other impacted cyclists to schedule and await an inspection. When the inspection
5 finally happens, a local bicycle mechanic is tasked with making a complex
6 engineering judgment to determine whether the crankset shows sufficient
7 deterioration to merit replacement. Worse, those consumers whose Defective
8 Cranksets are judged not to warrant immediate replacement – *i.e.*, those consumers
9 whose cranksets do not “show signs of bonding separation or delamination during
10 the inspection” – are left in the frightening position of having to continue riding a
11 dangerous bicycle, waiting on their cranksets to separate and potentially cause a
12 crash before Shimano will give them a new one.

13 9. As a result of the undisclosed “Crankset Defect,” Plaintiffs and the
14 other members of the proposed Classes (defined below) (collectively, the “Class”)
15 were harmed and suffered actual damages.

16 10. The Defective Cranksets were sold at bicycle stores for between \$270
17 and \$1,500 and also as a standard component on Class Bicycles sold by the Bicycle
18 Manufacturer Defendants for many thousands of dollars. The Crankset Defect
19 significantly diminishes the value of the Defective Cranksets and the Class Bicycles
20 on which they were installed.

21 11. Further, Plaintiffs and the other Class Members did not receive the
22 benefit of their bargain; rather, they purchased cranksets and bicycles that are of a
23 lesser standard, grade, and quality than represented, and they did not receive
24 cranksets and bicycles that met ordinary and reasonable consumer expectations
25 regarding safe and reliable operation. Purchasers of Defective Cranksets or Class
26 Bicycles paid more than they would have had the crankset defect been disclosed.
27 Plaintiffs and the other Class Members were deprived of having a safe, defect-free
28

1 crankset installed on their bicycles, and Defendants unjustly benefited from the sale
2 of these products and from the unconscionable limitations on the recall remedy now
3 offered.

4 12. Plaintiffs and the other Class Members also suffered damages in the
5 form of out-of-pocket and loss-of-use expenses and costs, and, as a direct result of
6 the deficient recall remedy, have out-of-pocket economic damage by virtue of their
7 having incurred the expense of taking the time to bring their bicycle in for the
8 mandated inspection.

9 **PARTIES**

10 13. Plaintiff Steven Adelman (“Mr. Adelman”) was, at all times relevant to
11 this matter, a resident of Plainview, New York. Mr. Adelman purchased a new
12 Bianchi Infinito CV Disc Ultegra DI2 (“Bianchi”) bicycle from Bicycle Playground
13 in May 2018 for approximately \$5,600. The bicycle was equipped with a Shimano
14 Ultegra FC-R-8000 crankset with the production code “PF.” Through his exposure
15 to Bianchi’s and Shimano’s advertisements, promotional materials, and other public
16 statements, Adelman was aware of Bianchi’s and Shimano’s pervasive marketing
17 messages that their bicycle products are high-quality and dependable, which was
18 material to his decision to purchase the Class Bicycle. When Adelman acquired the
19 Class Bicycle, he believed, based on Bianchi’s and Shimano’s pervasive marketing
20 message, that he was purchasing a safe, high-quality, and dependable bicycle, one
21 that is safer and more reliable than a bicycle that is not so marketed. At no point
22 before Adelman purchased his Class Bicycle did Bianchi or Shimano disclose that it
23 was not safe or dependable, or that it was equipped with a Defective Crankset. Had
24 Defendants disclosed the defect, Adelman would have heard, seen, and been aware
25 of it (and, indeed, Adelman became aware of the defect shortly after it was finally
26 disclosed by Shimano in September 2023). Adelman had no way of knowing when
27 he purchased his Class Bicycle that it contained a Defective Crankset and only
28

1 recently learned of the presence of the Crankset Defect in his Class Bicycle in
2 September 2023, shortly before commencing his lawsuit. To Adelman’s knowledge,
3 the Defective Crankset in his Class Bicycle has not been repaired or replaced, and is
4 not presently eligible for replacement under Shimano’s limited recall. The value of
5 Plaintiff’s Class Bicycle has been diminished as a result of the Crankset Defect. If
6 Plaintiff had known about the Crankset Defect, he either would have not purchased
7 the Class Bicycle, or would have paid less to do so. Plaintiff would purchase bicycle
8 products from Bianchi or Shimano in the future if Defendants’ representations with
9 respect to the safety, quality, and durability of those products were accurate.

10 14. Plaintiff John Bongiovanni (“Mr. Bongiovanni”) was, at all times
11 relevant to this matter, a resident of Chiefland, Florida. Mr. Bongiovanni purchased
12 a new Trek Speed Concept equipped with a Shimano Ultegra FC-R8000 crankset
13 with the production code “QB” in October 2021. Bongiovanni’s Class Bicycle and
14 Shimano Ultegra FC-R8000 crankset were covered by written warranties.
15 Bongiovanni purchased the Class Bicycle in Tallahassee, FL for approximately
16 \$3,100. Through his exposure to Trek’s and Shimano’s advertisements, promotional
17 materials and other public statements, Bongiovanni was aware of Trek’s and
18 Shimano’s pervasive marketing messages that their bicycle products were high-
19 quality and dependable, which was material to his decision to purchase the Class
20 Bicycle. When Bongiovanni acquired the Class Bicycle, he believed, based on
21 Trek’s and Shimano’s pervasive marketing messages, that he was purchasing a safe
22 and dependable bicycle with a safe and dependable crankset—one that is higher-
23 quality and more reliable than a crankset that is not marketed as high-quality and
24 dependable. At no point before Bongiovanni purchased his Class Bicycle equipped
25 with a Shimano Ultegra FC-R8000 crankset did Trek or Shimano disclose that it was
26 not high-quality or dependable, or that the crankset on the bicycle had a defect that
27 made it susceptible to delamination and breaking. Had Trek or Shimano disclosed
28

1 the defect, Bongiovanni would have heard, seen, and been aware of it (and, indeed,
2 Bongiovanni became aware of the defect shortly after Shimano years later disclosed
3 it in September 2023). Bongiovanni had no way of knowing when he purchased his
4 Class Bicycle equipped with a Shimano Ultegra FC-R8000 crankset that it was
5 defective and only recently learned of the presence of the defect in September 2023,
6 shortly before commencing his lawsuit. If Bongiovanni had known about the defect,
7 he either would have not purchased the Class Bicycle equipped with a Shimano
8 Ultegra FC-R8000 crankset, or he would have paid less to do so. Bongiovanni would
9 purchase Trek and Shimano bicycle products in the future if Trek's and Shimano's
10 representations about their products, including with respect to their safety, quality
11 and durability, were accurate.

12 15. Plaintiff Jose Delgado ("Mr. Delgado") was, at all times relevant to this
13 matter, a resident of Bell, California. In approximately April 2017, Mr. Delgado
14 purchased a new Shimano Dura-Ace FC-9000 crankset with the production code
15 "OF." On September 7, 2023, Mr. Delgado purchased a new Shimano Dura-Ace FC-
16 R9100 crankset with the production code "RA." Through his exposure to Shimano's
17 advertisements, promotional materials, and other public statements, Delgado was
18 aware of Shimano's pervasive marketing messages that their bicycle products are
19 high-quality and dependable, which was material to his decision to purchase the
20 Shimano cranksets. When Delgado acquired the Shimano cranksets, he believed,
21 based on Shimano's pervasive marketing message, that he was purchasing safe,
22 high-quality, and dependable cranksets, that are safer and more reliable than
23 cranksets that are not so marketed. At no point before Delgado purchased his
24 Shimano cranksets did Shimano disclose that they were not safe or dependable, or
25 that they were Defective. Had Defendants disclosed the defect, Delgado would have
26 heard, seen, and been aware of it (and, indeed, Delgado became aware of the defect
27 shortly after it was finally disclosed by Shimano in September 2023). Delgado had
28

1 no way of knowing when he purchased his Shimano cranksets that they contained a
2 Defect and only recently learned of the presence of the Crankset Defect in September
3 2023, shortly before commencing his lawsuit. To Delgado's knowledge, the
4 Defective Cranksets have not been repaired or replaced, and are not presently
5 eligible for replacement under Shimano's limited recall. The value of Plaintiff's
6 Shimano cranksets has been diminished as a result of the Crankset Defect. If Plaintiff
7 had known about the Crankset Defect, he either would have not purchased the
8 Shimano cranksets, or would have paid less to do so. Plaintiff would purchase
9 bicycle products from Shimano in the future if Defendants' representations with
10 respect to the safety, quality, and durability of those products were accurate.

11 16. Plaintiff Jose Erazo ("Mr. Erazo") was, at all times relevant to this
12 matter, a resident of the State of California, residing in Fontana. Mr. Erazo purchased
13 a new Trek Emonda SL 7 Disc 52 BK-BL equipped with a Shimano Ultegra FC
14 R8000 crankset with the production code "RD" in January 2020. Mr. Erazo
15 purchased the Class Bicycle from a Trek Bicycle Superstore in San Marcos,
16 California. Mr. Erazo's Class Bicycle and defective Shimano Ultegra FC-R8000
17 crankset were covered by written warranties. Through his exposure to Trek's and
18 Shimano's advertisements, promotional materials, and other public statements, Mr.
19 Erazo was aware of Trek's and Shimano's pervasive marketing messages that their
20 bicycles and bicycle products were safe, high-quality, durable, and dependable,
21 which was material to his decision to purchase the Class Bicycle. When Mr. Erazo
22 acquired the Class Bicycle, he believed, based on Trek's and Shimano's pervasive
23 marketing messages, that he was purchasing a safe, high-quality, durable, and
24 dependable bicycle with a safe, high-quality, durable, and dependable crankset – one
25 that is safer, higher-quality, more durable, and more dependable than a crankset that
26 is not marketed as safe, high-quality, durable, and dependable. At no point before
27 Mr. Erazo purchased his Class Bicycle equipped with a defective Shimano Ultegra
28

1 FC-R8000 crankset did Trek or Shimano disclose that the crankset was not safe,
2 high-quality, durable, and dependable, or that the crankset on the bicycle had a defect
3 that made it susceptible to delamination and breaking. Had Trek or Shimano
4 disclosed the Crankset Defect, Mr. Erazo would have heard, seen, and been aware
5 of it (and, indeed, Mr. Erazo became aware of the defect shortly after Shimano, years
6 later, disclosed it in September 2023). On or around September 22, 2023, shortly
7 after the recall, Mr. Erazo inquired with Trek whether his Shimano Ultegra FC-
8 R8000 crankset was eligible for replacement through the recall. The Trek
9 representative advised Mr. Erazo that his crankset did not qualify because the
10 crankset had not yet failed. Thus, Mr. Erazo is left with a dangerous Defective
11 Crankset and he is forced to either continue riding a dangerous bicycle equipped
12 with a Defective Crankset—risking a crash or personal injury—or choose to pay, out
13 of pocket, to replace the Defective Crankset. Mr. Erazo had no way of knowing when
14 he purchased his Class Bicycle equipped with a defective Shimano Ultegra FC-
15 R8000 crankset that it was defective and only recently learned of the presence of the
16 Defective Crankset in his Class Bicycle in September 2023, shortly before
17 commencing his lawsuit. The value of Mr. Erazo’s bicycle has been diminished as a
18 result of the Crankset Defect. If Mr. Erazo had known about the Crankset Defect, he
19 either would have not purchased the Class Bicycle equipped with a Shimano Ultegra
20 FC-R8000 crankset, or would have paid less to do so. At a minimum, Mr. Erazo paid
21 a price premium for the Class Bicycles and Defective Cranksets based on Trek’s and
22 Shimano’s omission and concealment of the safety defect. Mr. Erazo would purchase
23 Trek and Shimano bicycle products in the future if Trek’s and Shimano’s
24 representations about their products, including with respect to their safety, quality,
25 and durability, were accurate.

26 17. Plaintiff Dave Gonyer (“Mr. Gonyer”) was, at all times relevant to this
27 matter, a resident of Cardiff, California. In August 2019, Mr. Gonyer purchased a
28

1 new Shimano Dura-Ace FC-R9100 crankset, with the production code “PL,”
2 from www.competitivecyclist.com. Mr. Gonyer’s Shimano Dura-Ace FC-R9100
3 crankset was covered by a written warranty. Through his exposure to Shimano’s
4 advertisements, promotional materials, and other public statements, Mr. Gonyer was
5 aware of Shimano’s pervasive marketing messages that their bicycle products were
6 safe, high-quality, durable, and dependable, which was material to his decision to
7 purchase the Shimano Dura-Ace FC-R9100 crankset. When Mr. Gonyer purchased
8 the Shimano Dura-Ace FC-R9100 crankset in August 2019, he believed, based on
9 Shimano’s pervasive marketing messages, that he was purchasing a safe, high-
10 quality, durable, and dependable crankset – one that is safer, higher-quality, more
11 durable, and more dependable than a crankset that is not marketed as safe, high-
12 quality, durable, and dependable. At no point before Mr. Gonyer purchased his
13 Shimano Dura-Ace FC-R9100 crankset did Shimano disclose that it was not safe,
14 high-quality, durable, and dependable, or that the crankset had a defect that made it
15 susceptible to delamination and breaking. Upon information and belief, had Shimano
16 disclosed the defect, Mr. Gonyer would have heard, seen, and been aware of it (and,
17 indeed, Mr. Gonyer became aware of the defect shortly after Shimano disclosed it in
18 September 2023). After Shimano disclosed the defect, Mr. Gonyer took his Shimano
19 Dura-Ace FC-R9100 crankset in for inspection as part of Shimano’s recall, but Mr.
20 Gonyer was denied a replacement crankset. Thus, Mr. Gonyer is forced to either
21 continue riding a bicycle equipped with a defective crankset—risking a crash or
22 personal injury—or choose to pay, out of pocket, to replace the defective crankset.
23 Mr. Gonyer had no way of knowing when he purchased his Shimano Dura-Ace FC-
24 R9100 crankset that it was defective and only recently learned of the presence of the
25 defect in September 2023. The value of Mr. Gonyer’s bicycle and crankset have been
26 diminished as a result of the crankset defect. If Mr. Gonyer had known about the
27 defect, he either would have not purchased the Shimano Dura-Ace FC-R9100
28

1 crankset, or he would have paid less to do so. At a minimum, Mr. Gonyer paid a
2 price premium for the defective crankset based on Shimano's omission and
3 concealment of the safety defect. Mr. Gonyer would purchase Shimano bicycle
4 products in the future if Shimano's representations about its products, including with
5 respect to their safety, quality and durability, were accurate.

6 18. Plaintiff Jarett Hawkins was, at all times relevant to this matter, a
7 resident of the State of California, residing in Solana Beach. Mr. Hawkins purchased
8 a new Specialized Tarmac SL 6 Comp Edition equipped with a Shimano Ultegra
9 FC-R8000 on or about July 16, 2020, making it part of Shimano's recall, from a
10 bicycle shop in Encinitas, California. Mr. Hawkins' Class Bicycle and defective
11 Shimano Ultegra FC-8000 crankset were covered by written warranties. Prior to
12 purchasing his Class Bicycle, Mr. Hawkins conducted online research about
13 Specialized, the bikes it sells, and the features he wanted included for his bike. Mr.
14 Hawkins reviewed the Specialized website, including the page for the Class Bicycle
15 he eventually purchased, several times before purchasing his Class Bicycle at a
16 brick-and-mortar retailer where he saw a fact tag that listed the name, size and price
17 of the Class Bicycle. Plaintiff saw the list of specs for his Class Bicycle and other
18 promotional and marketing information on the Specialized website. Plaintiff also
19 visited the Shimano website and viewed the information provided by Shimano about
20 the defective Shimano Ultegra FC-R8000 crankset that came originally equipped on
21 his Class Bicycle, including the attributes of the crankset. Through his exposure to
22 Specialized's and Shimano's advertisements, promotional materials, and other
23 public statements, Mr. Hawkins was aware of Specialized's and Shimano's
24 pervasive marketing messages that their bicycles and bicycle products were safe,
25 high-quality, durable, and dependable, which was material to his decision to
26 purchase the Class Bicycle. When Mr. Hawkins acquired the Class Bicycle, he
27 believed, based on Specialized's and Shimano's pervasive marketing messages, that
28

1 he was purchasing a safe, high-quality, durable, and dependable bicycle with a safe
2 and dependable crankset – one that is safer, higher-quality, more durable, and more
3 dependable than a crankset that is not marketed as safe, high-quality, durable, and
4 dependable. At no point before Mr. Hawkins purchased his Class Bicycle equipped
5 with a defective Shimano Ultegra FC-R8000 crankset did Specialized or Shimano
6 disclose that the crankset was not safe, high-quality, durable, and dependable, or that
7 the crankset on the bicycle had a defect that made it susceptible to delamination and
8 breaking. As a reasonable consumer, Mr. Hawkins believed that information
9 regarding critical safety defects, like the substantial risk of physical injury due to
10 sudden separation and failure of the Defective Crankset, would have been
11 prominently disclosed by the manufacturer on the packing and online listings, and
12 would have been disclosed by third-party retail sellers at the direction of Specialized
13 and Shimano. Because no such risk was disclosed, let alone prominently on
14 packaging or other advertising, Mr. Hawkins understood that the Class Bicycle and
15 Defective Crankset were safe under ordinary use. Mr. Hawkins relied on
16 Specialized's and Shimano's representations and omissions in purchasing the Class
17 Bicycle and Defective Crankset. Had Specialized or Shimano disclosed the Crankset
18 Defect, Mr. Hawkins would have heard, seen, and been aware of it (and, indeed, Mr.
19 Hawkins became aware of the defect shortly after Shimano, years later, disclosed it
20 in September 2023). While riding his bicycle, Plaintiff's Shimano Crankset broke
21 mid-ride. Plaintiff notified Shimano and submitted a warranty claim for the defective
22 Crankset. On April 4, 2022, Shimano replaced the defective Crankset with the exact
23 same Crankset that, on information and belief, continues to be defective and is
24 substantially certain to fail for the reasons above. Thus, Mr. Hawkins is left with a
25 dangerous Defective Crankset and he is forced to either continue riding a dangerous
26 bicycle equipped with a Defective Crankset—risking a crash or personal injury—or
27 choose to pay, out of pocket, to replace the Defective Crankset. Mr. Hawkins had no
28

1 way of knowing when he purchased his Class Bicycle equipped with a defective
2 Shimano Ultegra FC-R8000 crankset that it was defective and only recently learned
3 of the presence of the defective crankset in his Class Bicycle in September 2023,
4 shortly before commencing his lawsuit. The value of Mr. Hawkins' bicycle has been
5 diminished as a result of the Crankset Defect. If Mr. Hawkins had known about the
6 defect, he either would have not purchased the Class Bicycle equipped with a
7 Shimano Ultegra FC-R8000 crankset, or he would have paid less to do so. At a
8 minimum, Mr. Hawkins paid a price premium for the Class Bicycles and Defective
9 Cranksets based on Specialized's and Shimano's omission and concealment of the
10 safety defect. Mr. Hawkins would purchase Trek and Shimano bicycle products in
11 the future if Trek's and Shimano's representations about their products, including
12 with respect to their safety, quality, and durability, were accurate.

13 19. Plaintiff Chris Jennings is currently a resident of the State of Texas. Mr.
14 Jennings purchased a Shimano Ultegra R8000 Groupset, while living in California,
15 that included a Shimano Ultegra FC-R8000 Crankset with the production on or about
16 July 30, 2019, making it part of Shimano's recall, from merlincycles.com. The
17 crankset was shipped to his home, then in Irvine, California. Mr. Jennings's
18 defective Shimano Ultegra R8000 crankset was covered by a written warranty. On
19 information and belief, because Mr. Jennings purchased the Shimano Ultegra R8000
20 crankset during the time period covered by the recall, it is a Defective Crankset. Prior
21 to purchasing this Defective Crankset, Mr. Jennings visited the Shimano website and
22 viewed its specifications. He was aware of and relied on the representations made
23 on the Shimano listing in purchasing his Defective Crankset. Through his exposure
24 to Shimano's advertisements, promotional materials, and other public statements,
25 Mr. Jennings was aware of Shimano's pervasive marketing messages that its bicycle
26 products were safe, high-quality, durable, and dependable, which was material to his
27 decision to purchase the Defective Crankset. When Mr. Jennings acquired the
28

1 Defective Crankset, he believed, based on Shimano's pervasive marketing messages,
2 that he was purchasing a safe and dependable crankset – one that is safer, higher-
3 quality, more durable, and more dependable than a crankset that is not marketed as
4 safe, high-quality, durable, and dependable. At no point before Mr. Jennings
5 purchased his Defective Crankset did Shimano disclose that the crankset was not
6 safe, high-quality, durable, and dependable, or that the crankset had a defect that
7 made it susceptible to delamination and breaking. As a reasonable consumer, Mr.
8 Jennings believed that information regarding critical safety defects, like the
9 substantial risk of physical injury due to sudden separation and failure of the
10 Defective Crankset, would have been prominently disclosed by the manufacturer on
11 the packing and online listings, and would have been disclosed by third-party retail
12 sellers at the direction of Shimano. Because no such risk was disclosed, let alone
13 prominently on packaging or other advertising, Mr. Jennings understood that the
14 Defective Crankset was safe under ordinary use. Mr. Jennings relied on Shimano's
15 representations and omissions in purchasing the Defective Crankset. Had Shimano
16 disclosed the Crankset Defect, Mr. Jennings would have heard, seen, and been aware
17 of it (and, indeed, Mr. Jennings became aware of the defect shortly after Shimano,
18 years later, disclosed it in September 2023). Mr. Jennings had no way of knowing
19 when he purchased his Defective Crankset that it was defective and only recently
20 learned of the Crankset Defect in September 2023, shortly before commencing his
21 lawsuit. The value of Mr. Jennings's Ultegra R8000 crankset has been diminished
22 as a result of the Crankset Defect. If Mr. Jennings had known about the defect, he
23 either would have not purchased the Ultegra R8000 crankset or would have paid less
24 to do so. At a minimum, Mr. Jennings paid a price premium for the Defective
25 Crankset based on Shimano's omission and concealment of the safety defect. Mr.
26 Jennings would purchase Shimano bicycle products in the future if Shimano's
27 representations about its products, including with respect to their safety, quality, and
28

1 durability, were accurate.

2 20. Plaintiff Moussa Kouyate was, at all times relevant to this matter, a
3 resident of the State of New York. Mr. Kouyate purchased a new Mongoose Flatrock
4 Hardtail mountain bicycle that came equipped with a Shimano Dura-Ace FC-R9100
5 with the production code “LG.” Mr. Kouyate purchased the Class Bicycle from
6 Daniel’s Bike Shop in The Bronx, New York in May 2023. Mr. Kouyate’s Class
7 Bicycle and defective Shimano Dura-Ace FC-R9100 crankset were covered by
8 written warranties. Through his exposure to Mongoose and Shimano’s
9 advertisements, promotional materials, and other public statements, Mr. Kouyate
10 was aware of Mongoose and Shimano’s pervasive marketing messages that their
11 bicycles and bicycle products were safe, high-quality, durable, and dependable,
12 which was material to his decision to purchase the Class Bicycle. When Mr. Kouyate
13 purchased his Class Bicycle in May 2023, he believed, based on Mongoose and
14 Shimano’s pervasive marketing messages, that he was purchasing a safe, high-
15 quality, durable, and dependable bicycle with a safe, high-quality, durable, and
16 dependable crankset – one that is safer, higher-quality, more durable, and more
17 dependable than one that is not marketed as safe, high-quality, durable, and
18 dependable. At no point before Mr. Kouyate purchased his Class Bicycle equipped
19 with a defective Shimano Dura-Ace FC-R9100 crankset did Mongoose or Shimano
20 disclose that it was not safe, high-quality, durable, and dependable, or that the
21 crankset on the bicycle had a defect that made it susceptible to delamination and
22 breaking. Had Mongoose or Shimano disclosed the defect, Mr. Kouyate would have
23 heard, seen, and been aware of it (and, indeed, Mr. Kouyate became aware of the
24 defect shortly after Shimano disclosed it in September 2023). Specifically, Mr.
25 Kouyate became aware of the defect when his Shimano crankset broke while he was
26 riding his bicycle in October 2023. He had the Shimano crankset replaced in or
27 around November 2023. Thus, Mr. Kouyate was left with a dangerous Defective
28

1 Crankset, and he was forced to either continue riding a dangerous bicycle equipped
2 with a Defective Crankset—risking a crash or personal injury—or to pay out of
3 pocket to replace the Defective Crankset. Mr. Kouyate had no way of knowing when
4 he purchased his Class Bicycle equipped with a defective Shimano Dura-Ace FC-
5 R9100 crankset that it was defective and only recently learned of the presence of the
6 defect in September 2023, shortly before commencing his lawsuit. The value of Mr.
7 Kouyate’s bicycle has been diminished as a result of the Crankset Defect. If Mr.
8 Kouyate had known about the defect, he either would have not purchased the Class
9 Bicycle equipped with a defective Shimano Dura-Ace FC-R9100 crankset, or he
10 would have paid less to do so. At a minimum, Mr. Kouyate paid a price premium for
11 the Class Bicycles and Defective Cranksets based on Mongoose and Shimano’s
12 omission and concealment of the safety defect. Mr. Kouyate would purchase
13 Mongoose and Shimano bicycle products in the future if Mongoose and Shimano’s
14 representations about their products, including with respect to their safety, quality,
15 and durability, were accurate.

16 21. Plaintiff Marcus Lewis was, at all times relevant to this matter, a
17 resident of the State of Illinois, residing in Chicago. Mr. Lewis purchased a new
18 Specialized Tarmac Disk Comp SL6 bicycle that came equipped with a Shimano
19 Ultegra FC-R8000 crankset with the production code “QD.” Mr. Lewis purchased
20 the Class Bicycle from Kozy Inc. in Chicago, Illinois for over \$2,500. Mr. Lewis
21 placed the Class Bicycle on layaway with Kozy Inc. in September 2019 and
22 completed the purchase and first took possession of the Class Bicycle in March 2023.
23 Mr. Lewis’s Class Bicycle and defective Shimano Ultegra FC-R8000 crankset were
24 covered by written warranties. Through his exposure to Specialized’s and Shimano’s
25 advertisements, promotional materials, and other public statements, Mr. Lewis was
26 aware of Specialized’s and Shimano’s pervasive marketing messages that their
27 bicycles and bicycle products were safe, high-quality, durable, and dependable,
28

1 which was material to his decision to purchase the Class Bicycle. When Mr. Lewis
2 placed the Class Bicycle on layaway in September 2019, and when he completed the
3 purchase and first took possession of the Class Bicycle in March 2023, he believed,
4 based on Specialized's and Shimano's pervasive marketing messages, that he was
5 purchasing a safe, high-quality, durable, and dependable bicycle with a safe, high-
6 quality, durable, and dependable crankset – one that is safer, higher-quality, more
7 durable, and more dependable than a crankset that is not marketed as safe, high-
8 quality, durable, and dependable. At no point before Mr. Lewis purchased his Class
9 Bicycle equipped with a defective Shimano Ultegra FC-R8000 crankset did
10 Specialized or Shimano disclose that it was not safe, high-quality, durable, and
11 dependable, or that the crankset on the bicycle had a defect that made it susceptible
12 to delamination and breaking. Had Specialized or Shimano disclosed the defect, Mr.
13 Lewis would have heard, seen, and been aware of it (and, indeed, Mr. Lewis became
14 aware of the defect shortly after Shimano disclosed it in September 2023). After
15 Shimano disclosed the defect, Mr. Lewis took his Shimano Ultegra FC-R8000
16 crankset in for inspection as part of Shimano's recall, but Mr. Lewis was denied a
17 replacement crankset. Thus, Mr. Lewis is left with a dangerous Defective Crankset
18 and he is forced to either continue riding a dangerous bicycle equipped with a
19 Defective Crankset—risking a crash or personal injury—or choose to pay, out of
20 pocket, to replace the Defective Crankset. Mr. Lewis had no way of knowing when
21 he purchased his Class Bicycle equipped with a defective Shimano Ultegra FC-
22 R8000 crankset that it was defective and only recently learned of the presence of the
23 defect in September 2023, shortly before commencing his lawsuit. The value of Mr.
24 Lewis's bicycle has been diminished as a result of the Crankset Defect. If Mr. Lewis
25 had known about the defect, he either would have not purchased the Class Bicycle
26 equipped with a defective Shimano Ultegra R-8000 crankset, or would have paid
27 less to do so. At a minimum, Mr. Lewis paid a price premium for the Class Bicycles
28

1 and Defective Cranksets based on Specialized's and Shimano's omission and
2 concealment of the safety defect. Mr. Lewis would purchase Specialized and
3 Shimano bicycle products in the future if Specialized's and Shimano's
4 representations about their products, including with respect to their safety, quality,
5 and durability, were accurate.

6 22. Plaintiff Kevin Litam was, at all times relevant to this matter, a resident
7 of the State of California, residing in Glendale. Mr. Litam purchased a new BMC
8 Roadmachine SLR03 bicycle that came equipped with a Shimano Ultegra FC-6800
9 crankset with the production code "NL." Mr. Litam purchased the bicycle from Velo
10 Pasadena Inc. in Pasadena, California for approximately \$2,800. Mr. Litam's Class
11 Bicycle and Shimano defective Ultegra FC-6800 crankset was covered by a written
12 warranty. Through his exposure to BMC's and Shimano's advertisements,
13 promotional materials, and other public statements, Mr. Litam was aware of BMC's
14 and Shimano's pervasive marketing messages that their bicycles and bicycle
15 components were safe, high-quality, durable, and dependable, which was material
16 to his decision to purchase the Class Bicycle. Indeed, Mr. Litam specifically sought
17 out a bicycle that was equipped with the Shimano Ultegra FC-6800 crankset because
18 of his understanding that it was a safe, high-quality, durable, and dependable bicycle
19 component. When Mr. Litam acquired the Class Bicycle, he believed, based on
20 BMC's and Shimano's pervasive marketing messages, that he was purchasing a safe,
21 high-quality, durable, and dependable bicycle with a safe, high-quality, durable, and
22 dependable crankset—one that is safer, higher-quality, more durable, and more
23 dependable than a bicycle that is not marketed as safe, high-quality, durable, and
24 dependable. At no point before Mr. Litam purchased his bicycle did BMC or
25 Shimano disclose that it was not safe, high-quality, durable, and dependable, or that
26 the crankset on the bicycle had a defect that made it susceptible to delamination and
27 breaking. Had Defendants disclosed the Crankset Defect, Mr. Litam would have
28

1 heard, seen, and been aware of it (and, indeed, Mr. Litam became aware of the
2 Shimano recall shortly after Shimano finally announced it in September 2023). After
3 Shimano disclosed the defect, Mr. Litam took his Shimano Ultegra FC-6800
4 crankset in for inspection as part of Shimano's recall, but Mr. Litam was denied a
5 replacement crankset. Mr. Litam had no way of knowing when he purchased his
6 Class Bicycle equipped with a defective Shimano Ultegra FC-6800 crankset that it
7 contained a Defective Crankset and only recently learned of the presence of the
8 defective crankset in his Class Bicycle in September 2023, shortly before
9 commencing his lawsuit. The value of Mr. Litam's bicycle has been diminished as a
10 result of the Crankset Defect. If Mr. Litam had known about the Crankset Defect, he
11 either would have not purchased the Class Bicycle equipped with a Shimano Ultegra
12 FC-6800 crankset, or he would have paid less to do so. At a minimum, Mr. Litam
13 paid a price premium for the Class Bicycles and Defective Cranksets based on
14 BMC's and Shimano's omission and concealment of the safety defect. Mr. Litam
15 would purchase bicycle products from BMC or Shimano in the future if Defendants'
16 representations with respect to the safety, quality, and durability of those products
17 were accurate.

18 23. Plaintiff Maurice Scorsolini was, at all times relevant to this matter, a
19 resident of the State of Florida, residing in Davenport. Mr. Scorsolini purchased a
20 Giant Advanced SL bicycle from The Pro's Closet in July 2022, for approximately
21 \$3,380. The Class Bicycle was equipped with a Shimano Ultegra FC-6800 crankset
22 with the production code "OC." Mr. Scorsolini's Class Bicycle and defective
23 Shimano Ultegra FC-6800 crankset were covered by written warranties. Through his
24 exposure to Giant's and Shimano's advertisements, promotional materials, and other
25 public statements, Mr. Scorsolini was aware of Giant's and Shimano's pervasive
26 marketing messages that their bicycle products were safe, high-quality, durable, and
27 dependable, which was material to his decision to purchase the Class Bicycle. When
28

1 Mr. Scorsolini acquired the Class Bicycle, he believed, based on Giant's and
2 Shimano's pervasive marketing message, that he was purchasing a safe, high-
3 quality, durable, and dependable bicycle with a safe, high-quality, durable and
4 dependable crankset—one that is safer, higher-quality, more durable, and more
5 dependable than a bicycle that is not so marketed. At no point before Mr. Scorsolini
6 purchased his Class Bicycle did Giant or Shimano disclose that it was not safe, high-
7 quality, durable, and dependable, or that the crankset on the bicycle had a defect that
8 made it susceptible to delamination and breaking. Had Giant or Shimano disclosed
9 the defect, Mr. Scorsolini would have heard, seen, and been aware of it (and, indeed,
10 Mr. Scorsolini became aware of the defect shortly after it was finally disclosed by
11 Shimano in September 2023). Mr. Scorsolini had no way of knowing when he
12 purchased his Class Bicycle equipped with a defective Shimano Ultegra FC-6800
13 crankset that it contained a Defective Crankset and only recently learned of the
14 presence of the Crankset Defect in his Class Bicycle in September 2023, shortly
15 before commencing his lawsuit. To Mr. Scorsolini's knowledge, the Defective
16 Crankset in his Class Bicycle has not been repaired or replaced and is not presently
17 eligible for replacement under Shimano's limited recall. The value of Plaintiff's
18 Class Bicycle has been diminished as a result of the Crankset Defect. If Plaintiff had
19 known about the Crankset Defect, he either would have not purchased the Class
20 Bicycle, or would have paid less to do so. At a minimum, Mr. Scorsolini paid a price
21 premium for the Class Bicycles and Defective Cranksets based on Giant's and
22 Shimano's omission and concealment of the safety defect. Plaintiff would purchase
23 bicycle products from Giant or Shimano in the future if Defendants' representations
24 with respect to the safety, quality, and durability of those products were accurate.

25 24. Plaintiff Dimitri Semizarov ("Mr. Semizarov") was, at all times
26 relevant to this matter, a resident of Evanston, Illinois. In September 2021, Mr.
27 Semizarov purchased a new Bianchi bicycle that came equipped with a Shimano
28

1 Dura-Ace FC-R9100P crankset with the production code “QA.” Mr. Semizarov
2 purchased the bicycle from R&A Cycles in Brooklyn, NY. Mr. Semizarov’s
3 Shimano Dura-Ace FC-9100P crankset was covered by a written warranty. Through
4 his exposure to Shimano’s advertisements, promotional materials, and other public
5 statements, Mr. Semizarov was aware of Shimano’s pervasive marketing messages
6 that its bicycle products were high-quality and dependable, which was material to
7 his decision to purchase the bicycle and crankset. When Mr. Semizarov purchased
8 the bicycle he believed, based on Shimano’s pervasive marketing messages, that he
9 was purchasing a safe and dependable bicycle with a safe and dependable crankset
10 – one that is higher-quality and more reliable than a crankset that is not marketed as
11 high-quality and dependable. At no point before Mr. Semizarov purchased his
12 bicycle equipped with a Shimano Dura-Ace FC-9100P crankset did Shimano
13 disclose that the crankset was not high-quality or dependable, or that the crankset
14 had a defect that made it susceptible to delamination and breaking. Upon information
15 and belief, had Shimano disclosed the defect, Mr. Semizarov would have heard,
16 seen, and been aware of it (and, indeed, Mr. Semizarov became aware of the defect
17 shortly after Shimano disclosed it in September 2023). After Shimano disclosed the
18 defect, Mr. Semizarov took his Shimano Dura-Ace FC-R9100P crankset in for
19 inspection as part of Shimano’s recall, but was denied a replacement crankset. The
20 mechanic that inspected Mr. Semizarov’s bicycle advised Mr. Semizarov that,
21 although he is not presently eligible for a replacement crankset as part of Shimano’s
22 recall, Mr. Semizarov should nevertheless consider acquiring a different crankset in
23 light of the danger that the defect will manifest in the future and cause the Shimano
24 Dura-Ace FC-9100P crankset to break. Thus, Mr. Semizarov is left in the unenviable
25 position of either paying out of pocket for a new crankset or continuing to ride a
26 dangerous bicycle while he waits on the crankset to break and potentially cause a
27 crash and personal injury. Mr. Semizarov had no way of knowing when he purchased
28

1 his bicycle equipped with a Shimano Dura-Ace FC-9100P crankset that it was
2 defective and only recently learned of the presence of the defect in September 2023.
3 If Mr. Semizarov had known about the defect, he either would have not purchased
4 the bicycle equipped with a Shimano Dura-Ace FC-9100P crankset, or he would
5 have paid less to do so. Mr. Semizarov would purchase Shimano bicycle products in
6 the future if Shimano's representations about its products, including with respect to
7 their safety, quality and durability, were accurate.

8 25. Plaintiff Mike Tirado ("Mr. Tirado") was, at all times relevant to this
9 matter, a resident of Casselberry, Florida. Mr. Tirado purchased a new Trek Madone
10 SLR 9 ("Trek") bicycle from David's Worth Cycle in January 2019 for
11 approximately \$9,200. The bicycle was equipped with a Shimano Dura Ace FC-R-
12 9100 crankset with the production code "PB." Through his exposure to Trek's and
13 Shimano's advertisements, promotional materials, and other public statements,
14 Tirado was aware of Trek's and Shimano's pervasive marketing messages that their
15 bicycle products are high-quality and dependable, which was material to his decision
16 to purchase the Class Bicycle. When Tirado acquired the Class Bicycle, he believed,
17 based on Trek's and Shimano's pervasive marketing message, that he was
18 purchasing a safe, high-quality, and dependable bicycle, one that is safer and more
19 reliable than a bicycle that is not so marketed. At no point before Tirado purchased
20 his Class Bicycle did Trek or Shimano disclose that it was not safe or dependable,
21 or that it was equipped with a Defective Crankset. Had Defendants disclosed the
22 defect, Tirado would have heard, seen, and been aware of it (and, indeed, Tirado
23 became aware of the defect shortly after it was finally disclosed by Shimano in
24 September 2023). Tirado had no way of knowing when he purchased his Class
25 Bicycle that it contained a Defective Crankset and only recently learned of the
26 presence of the Crankset Defect in his Class Bicycle in September 2023, shortly
27 before commencing his lawsuit. To Tirado's knowledge, the Defective Crankset in
28

1 his Class Bicycle has not been repaired or replaced, and is not presently eligible for
2 replacement under Shimano's limited recall. The value of Plaintiff's Class Bicycle
3 has been diminished as a result of the Crankset Defect. If Plaintiff had known about
4 the Crankset Defect, he either would have not purchased the Class Bicycle, or would
5 have paid less to do so. Plaintiff would purchase bicycle products from Trek or
6 Shimano in the future if Defendants' representations with respect to the safety,
7 quality, and durability of those products were accurate.

8 26. Mr. Adelman, Mr. Bongiovanni, Mr. Delgado, Mr. Erazo, Mr. Gonyer,
9 Mr. Hawkins, Mr. Jennings, Mr. Kouyate, Mr. Lewis, Mr. Litam, Mr. Scorsolini,
10 Mr. Semizarov, and Mr. Tirado are collectively referred to as "Plaintiffs."

11 27. Defendant Shimano North America Bicycle Inc. (together with
12 Shimano North America Holding Inc., "Shimano") is a California corporation with
13 its principal place of business in Irvine, California.

14 28. Defendant Shimano North America Holding Inc. is a California
15 corporation with its principal place of business in Irvine, California.

16 29. Defendant Specialized Bicycle Component Inc. ("Specialized") is a
17 Delaware corporation with its principal place of business in Morgan Hill, California.

18 30. Defendant Trek Bicycle Corporation ("Trek") is a Wisconsin
19 corporation with its principal place of business in Waterloo, Wisconsin.

20 31. Defendant Giant Bicycle, Inc. ("Giant") is a Virginia corporation with
21 its principal place of business in Newbury Park, California.

22 32. Shimano, Specialized, Trek, and Giant are collectively referred to as
23 "Defendants").

24 **JURISDICTION AND VENUE**

25 33. This Court has subject-matter jurisdiction over this action pursuant to
26 28 U.S.C. §1332(d)(2), as amended by the Class Action Fairness Act of 2005,
27 because: (a) there are at least 100 class members; (b) the matter in controversy
28

1 exceeds \$5 million, exclusive of interest and costs; and (c) at least one plaintiff is a
2 citizen of a different state than at least one defendant.

3 34. This Court has personal jurisdiction over Defendants pursuant to 18
4 U.S.C. § 1965 because Defendants maintain minimum contacts with this state, and
5 intentionally avail themselves of the laws of the United States and this state, by
6 conducting a substantial amount of business in California. Defendants continuously
7 and systematically place goods into the stream of commerce for distribution in
8 California, sell the Class Bicycles and Defective Cranksets to individuals in
9 California, and engage in wholesale of the Class Bicycles and Defective Cranksets
10 to retailers they know will resell the Class Bicycles and Defective Cranksets at retail
11 to individuals in California. Because of Defendants' conduct as alleged in this
12 lawsuit, the Class Bicycles and Defective Cranksets were sold to and purchased by
13 individuals in this State.

14 35. Venue is proper in this district pursuant to 28 U.S.C. § 1391. A
15 substantial part of the events or omissions giving rise to the claims herein occurred
16 in this judicial district.

17 **COMMON FACTUAL ALLEGATIONS**

18 **A. The Defective Cranksets and Class Bicycles**

19 36. Shimano manufactures, distributes, and sells components,
20 technologies, services, and gears for bicycles, including cranksets. Among the
21 various bicycle components that Shimano sells are a range of cranksets that include
22 11-Speed Bonded Hollowtech II Road Cranksets subject to a recall by Shimano on
23 September 21, 2023, including the following models: Ultegra FC-6800, Dura-Ace
24 FC-9000, Ultegra FC-R8000, Dura-Ace FC-R9100 and FC-R9100P. The recalled
25 models were manufactured prior to July 2019 and have printed 'Ultegra' or 'Dura
26 Ace' logos on the arm. The affected models have the following two-letter production
27 code on the backside of the crank arm where the pedals are attached: KF, KG, KH,
28

1 KI, KJ, KK, KL, LA, LB, LC, LD, LE, LF, LG, LH, LI, LJ, LK, LL, MA, MB, MC,
2 MD, ME, MF, MG, MH, MI, MJ, MK, ML, NA, NB, NC, ND, NE, NF, NG, NH,
3 NI, NJ, NK, NL, OA, OB, OC, OD, OE, OF, OG, OH, OI, OJ, OK, OL, PA, PB, PC,
4 PD, PE, PF, PG, PH, PI, PJ, PK, PL, QA, QB, QC, QD, QE, QF, QG, QH, QI, QJ,
5 QK, QL, RA, RB, RC, RD, RE, and RF.² These cranksets are collectively referred
6 to as the “Defective Cranksets.”

7 37. Approximately 680,000 Defective Cranksets were sold for between
8 \$270 and \$1,500 each at bicycle stores nationwide – both as standalone components
9 and originally equipped on bicycles sold by companies like Specialized, Trek, and
10 Giant– from January 2012 through August 2023. The bicycles sold by these
11 companies that were originally equipped with a Defective Crankset are referred to
12 collectively as “Class Bicycles.”

13 38. The Defective Cranksets, as defined above, all suffer from an identical
14 design defect. As a result of the defect, the Defective Cranksets are unreasonably



23 likely to break, separate, de-bond, or delaminate during normal use. When the
24 Defective Crankset separates or delaminates, the bicyclist loses the ability to
25 properly balance, operate, and propel the bicycle, substantially increasing the risks
26

27 ² [Shimano Recalls Cranksets for Bicycles Due to Crash Hazard | CPSC.gov](https://www.cpsc.gov/Recalls/2023/Shimano-Recalls-Cranksets-for-Bicycles-Due-to-Crash-Hazard) (last
28 visited on December 27, 2023).

1 of a crash and serious injury.

2 39. While the Defective Crankset models may differ in weight, price, and
3 certain specs, the Defective Cranksets all share the same dangerously defective bind,
4 weld, bond, or material that causes the Defective Cranksets to break, separate, de-
5 bond or delaminate and fail under normal use.

6 40. The defect at issue here involves a vital component of a bicycle, and it
7 is unsafe to operate a bicycle with a crankset that may fail and cause an operator to
8 lose control. A sturdy and reliable crankset is absolutely critical to the safe operation
9 of a bicycle because bicyclists apply a range of their weight—from full weight while
10 standing, to partial weight while pedaling in the seated position—to the crankset, and
11 bicyclists base their balance on their ability to apply weight to the crankset
12 consistently and reliably allowing the bicycle to remain upright and operational.
13 Therefore, consumers cannot safely ride their bicycles, including the Class Bicycles,
14 with the Defective Cranksets.

15 41. The industry shows, including Defendants themselves, that alternative,
16 feasible designs have been available for decades because only some of Defendants’
17 crankset models fall prey to the inadequately designed weld, bond, bind, or material
18 used in the Class Bicycles and Defective Cranksets. The inadequately designed Class
19 Bicycles and Defective Cranksets that are prone to separation and breaking are
20 therefore unsafe to use.

21 42. Additionally, consumers reasonably expect that cranksets will be able
22 to hold their weight and allow the consumer to apply ordinary force to propel the
23 bicycle. Consumers would not, did not, and could not anticipate that a crankset
24 specifically designed to bear the weight of the bicyclist applying normal force to
25 propel the bicycle forward is designed in a manner that causes it to separate and/or
26 break, and fail under normal riding.

27 43. This defect renders the Class Bicycles and Defective Cranksets unfit
28

1 for the ordinary purpose for which they were and are intended, which is to be a
2 weight bearing component designed to withstand the force required to propel a
3 bicycle forward.

4 44. This defect is present in all the Class Bicycles and Defective Cranksets,
5 as identified in this case, at the time of sale because it is inherent to the design of the
6 Class Bicycles and Defective Cranksets and is present when the Class Bicycles and
7 Defective Cranksets come off the assembly line.

8 45. Specialized manufactures, distributes, and sells assembled bicycles,
9 and bicycle components. Among the various bicycles sold by Specialized, are the
10 Class Bicycles equipped with Defective Cranksets, as identified in a statement by
11 Specialized, including: “Specialized road bikes [that] were fitted as standard with
12 11-speed Shimano Ultegra & Dura-Ace crank sets” on “some models of Tarmac,
13 Roubaix, Venge, Ruby, Amira, Aethos & Shiv” bicycles.³

14 46. Each of the Class Bicycles sold by Specialized contained a defective
15 Crankset and, therefore, suffered from the same defects that plague all of the
16 Defective Cranksets.

17 47. Trek manufactures, distributes, and sells assembled bicycles, and
18 bicycle components. Among the various bicycles sold by Trek are the Class Bicycles
19 equipped with Defective Cranksets, as identified in a statement by Trek notifying
20 customers that the cranksets in their bikes were affected if they included Defective
21

22
23
24 ³ Shimano Voluntary Recall: 11-Speed Bonded HOLLOWTECH II Road Cranksets
25 Inspection and Replacement Campaign, Specialized, available at
26 <https://support.specialized.com/home/en/shimano-voluntary-recall-11-speed-bonded-hollowtech-ii-road-cranksets-inspection-and-replacement-campaign#:~:text=and%20Replacement%20Campaign-,Shimano%20Voluntary%20Recall%3A%2011%2DSpeed%20Bonded%20HOLLOWTECH%20II%20Road%20Cranksets,HOLLOWTECH%20II%20Road%20Crank%20sets>, last visited on December 27, 2023.
27
28

1 Cranksets.⁴

2 48. Each of the Class Bicycles sold by Trek contained a Defective
3 Crankset and, therefore, suffered from the same defects that plague all of the
4 Defective Cranksets.

5 49. Giant manufactures, distributes, and sells assembled bicycles, and
6 bicycle components. Among the various bicycles sold by Giant, are the Class
7 Bicycles equipped with Defective Cranksets.

8 50. Each of the Class Bicycles sold by Giant contained a Defective
9 Crankset and, therefore, suffered from the same defects that plague all of the
10 Defective Cranksets.

11 **B. Defendants' Prior Knowledge of the Defective Cranksets**

12 51. This is not the first time Shimano has produced and sold defective
13 cranksets.

14 52. In 1997, Shimano issued a recall for 2.5 million bicycle cranksets
15 installed on hundreds of models of mountain bikes. The faulty cranksets were
16 manufactured from mid-1994 to mid-1995 and were installed mainly on low- to mid-
17 priced mountain bikes sold under a number of brands, including Trek.

18 53. The recall was prompted by reports of rider injuries from broken
19 cranksets. Shimano began receiving complaints in 1995, and, by the time of the recall
20 in 1997, executives at Shimano's Irvine, California headquarters acknowledged
21 receiving at least 630 reports in North America of the cranksets breaking while in
22 use, resulting in at least 22 rider injuries ranging from cuts to fractures.

23 **C. Defendants' Knowledge of the Defective Cranksets**

24 54. Like Defendants' knowledge of the earlier defects, Defendants were
25

26 ⁴ Shimano road crankset recall, available at
27 [https://www.trekbikes.com/us/en_US/shimano-crankset-recall/#:~:text=here%
28 20for%20you-,Shimano%20road%20crankset%20recall,participating%20Trek%
20retailer%20for%20inspection](https://www.trekbikes.com/us/en_US/shimano-crankset-recall/#:~:text=here%20for%20you-,Shimano%20road%20crankset%20recall,participating%20Trek%20retailer%20for%20inspection), last visited on December 15, 2023.

1 aware, early on, of numerous complaints regarding the Class Bicycles and Defective
2 Cranksets separating, failing, and causing injury. Upon information and belief,
3 Shimano and the Bicycle Manufacturer Defendants received customer complaints
4 regarding the Defective Cranksets breaking or separating while in use years before
5 Shimano issued a recall, and years before the Bicycle Manufacturer Defendants
6 stopped selling the Defective Cranksets as components on Class Bicycles.

7 55. On September 1, 2016, cyclist and blogger John Carlin was riding
8 approximately 20 miles per hour near his home in Roanoke, Virginia, on a trail called
9 the “Brandy Loop.” Without warning, while attempting to ride up a small hill, the
10 crankset on the right-hand side of his bicycle snapped in two resulting in a crash. As
11 a result of the Defective Crankset breaking, Mr. Carlin’s foot hit the pavement, he
12 lost control of his bicycle, and he crashed into a ditch. As Mr. Carlin describes it:

13 With absolutely no warning there was a loud crack. My foot hit the
14 pavement, the bike dove into a ditch about a foot deep and I landed
15 between a utility pole and street sign that are little more than shoulder-
width apart.⁵

16 56. Mr. Carlin reported the issue to his local bicycle shop who contacted
17 Shimano. When the shop called Shimano, the rep on the other end of the phone cut
18 them off and said he already knew the story, indicating that Shimano had already
19 been made aware of the Crankset defect and well before 2016.⁶

20 57. Three years later, in 2019, the same blogger reported on his Dura-Ace
21 FC-9000 crankset failing in the same way. The blogger, again, attached pictures and
22 discussed how Defendants have been well aware since the last incident of the Class
23
24
25

26 ⁵ Epic Failure Ultegra 6800 11 Speed Crank, available at
27 <https://carlinthecyclist.com/epic-failure-ultegra-6800-11-speed-crank/>, last accessed
on December 27, 2023.

28 ⁶ *Id.*

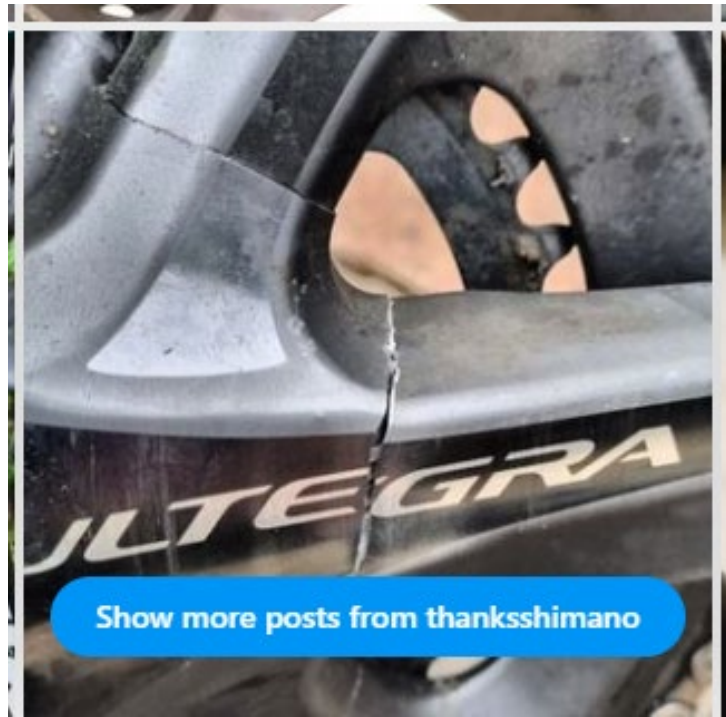
1 Bicycles and Defective Cranksets failing and are doing nothing about it.⁷

2 58. In August 2017, a YouTube user named “Just Me” posted a video
3 regarding a Shimano Ultegra 6800 crank failure. The video shows and describes a
4 Defective Crankset that delaminated and snapped. The description of the video notes
5 that “[t]he bond between the plastic part and the inner aluminum part has failed.”
6 The video description further describes that Shimano replaced Defective the
7 Crankset, which, upon information and belief, means that the cyclist reported the
8 issue to Shimano.

9 59. In November 2017, an Instagram account named “@thanksshimano”
10 was opened and thereafter began posting images documenting problems with the
11 Defective Cranksets. For example, an image posted on January 18, 2018 shows a
12 failed Shimano Ultegra FC-6800 Defective Crankset. The “@thanksshimano”
13 Instagram account made hundreds of similar posts between 2018 and 2023. Upon
14 information and belief, Shimano follows the “@thanksshimano” Instagram account
15 and reviews its contents.

16
17
18
19
20
21
22
23
24
25
26
27 ⁷ Shimano Dura-Ace FC-9000 Crank Fail, available at
28 <https://carlinthecyclist.com/shimano-dura-ace-fc-9000-crank-fail/>, last accessed on
December 27, 2023.

60. Notably, these pictures do not show obvious signs of corrosion, de-
bonding or delamination, and do not appear to give any sign or notice to the operator
that they are about to break or need to be replaced.



61. Accidents and injuries continued to happen, including accidents and injuries in recent years, attracting attention from journalists and news outlets. On the morning of January 15, 2020, a cyclist was riding his bicycle in the rain on his commute to work when, just as he came out of a corner and stood up on his pedals, his Shimano Ultegra 6800 Defective Crankset failed spectacularly. The incident was subsequently researched by a bicycle journalist working for www.bikeradar.com. The journalist raised the incident with Shimano, and asked if Shimano was aware of a pattern of failures with its Hollowtech cranksets. The journalist published Shimano's response, in full. The publication of Shimano's response reveals Shimano's affirmative misrepresentation and concealment of the Crankset Defect, as reflected in the following excerpts:

[T]here is no overall pattern that we have identified to explain why one consumer might have an issue whilst a similar consumer will have a lifetime of riding enjoyment."

[W]e are always studying and learning from our current products to make better products in the future, so feedback like this, even though in this case it was an anomaly that was experienced on an older previous generation model, will undoubtedly contribute towards better products for consumers."

Finally, we recommend that any consumers experiencing any less-than-perfect Shimano product should take it to their nearest dealer to discuss a solution.⁸

62. On October 17, 2021, a rider posted on the blog www.road.cc describing an incident in which the Defective Crankset on his bicycle split in two and caused him to crash. On November 16, 2021, www.road.cc further reported on the issue in an article titled "Shimano denies design problem with Hollowtech cranks despite reports of cracked arms," with a sub-headline reading "Shimano says that

⁸ Loveridge, Matthew, "Understanding an unusual Shimano crankset failure," BikeRadar, April 3, 2020, available at <https://www.bikeradar.com/features/shimano-crank-failure>, last accessed on December 27, 2023.

1 there isn't a design problem with its Hollowtech cranks despite reports of a pattern
2 of failures.”⁹ The report states that “[w]e brought the reported failures of cranks to
3 the company’s attention and in a nutshell, Shimano says there is no design problem.”
4 The report quotes Shimano as stating, among other things, that “[c]rank failures do
5 occur, even though our cranks do not have any design problems . . . We would like
6 to be able to give further details, but we cannot at this point” Shimano’s
7 response further confirmed that Shimano was conducting an internal investigation
8 into the Defective Cranksets.

9 63. On February 3, 2022, Hambini Performance Engineering published an
10 engineering analysis of a Defective Crankset failure.¹⁰ The report states that:
11 “Shimano have had some issues with their high end cranksets in recent times. It
12 seems as though the Ultegra and Dura Ace cranksets are the primary units affected.
13 There have been many reports of the cranksets fracturing in half.” The report
14 contains an engineering analysis of one crankset failure, concluding that:

15 The ultimate mode of failure is a break in the joint between the two
16 halves of the crankset. . . . In the case of this failed example, there is
17 clear evidence of galvanic corrosion and almost all units have failed as
18 a result of some form of corrosion.

19 * * *

20 It is highly unlikely that a crank of this design in the field has no onset
21 of corrosion. It would need to be operated in a completely arid
22 environment devoid of any potential electrolyte.

23 The report further notes that “Shimano have largely tried to deflect the situation and

24 ⁹ Hughes, Anna Marie, “Shimano denies design problem with Hollowtech cranks
25 despite reports of cracked arms,” Road.cc, available at [https://road.cc/content/tech-](https://road.cc/content/tech-news/shimano-claims-no-design-problem-hollowtech-cranks-287827#:~:text=Shimano%20says%20that%20there%20isn,rotating%20mass%20he)
26 [news/shimano-claims-no-design-problem-hollowtech-cranks-](https://road.cc/content/tech-news/shimano-claims-no-design-problem-hollowtech-cranks-287827#:~:text=Shimano%20says%20that%20there%20isn,rotating%20mass%20he)
27 [287827#:~:text=Shimano%20says%20that%20there%20isn,rotating%20mass%20he](https://road.cc/content/tech-news/shimano-claims-no-design-problem-hollowtech-cranks-287827#:~:text=Shimano%20says%20that%20there%20isn,rotating%20mass%20he)
28 [lps%20with%20acceleration.](https://road.cc/content/tech-news/shimano-claims-no-design-problem-hollowtech-cranks-287827#:~:text=Shimano%20says%20that%20there%20isn,rotating%20mass%20he), last accessed on December 15, 2023.

¹⁰ “Shimano Crankset Failures: An Engineering Analysis,” Hambini Performance Engineering, available at <https://www.hambini.com/shimano-crankset-failures-an-engineering-analysis/>, last accessed on December 15, 2023.

1 at least publicly deny there is a problem.”

2 64. On April 5, 2022, Outside magazine published an article titled “What’s
3 going on with Shimano’s road cranks?”¹¹ The article states that:

4 You may have caught wind of some reliability issues concerning previous-
5 generation, high-end Shimano road cranks, specifically Dura-Ace 9000 and
6 R9100, and Ultegra R8000 and 6800. Basically, some of them are coming
7 apart. Shimano won’t officially comment on the issue (perhaps due to legal
constraints – and believe me, we’ve asked)

8 The article further states that “third-party analyses have suggested a common
9 symptom for many of these failures: corrosion. . . . That corrosion can then
10 compromise the bond integrity, which can then potentially lead to complete
11 structural failure under load.”

12 65. Although Shimano previously described Defective Crankset failure as
13 “an anomaly,” and repeatedly assured consumers that the Defective Cranksets were
14 safe and not defective, Shimano has now admitted – in the September 21, 2023 recall
15 – that it received “4,519 incidents of cranksets separating,” several of which caused
16 significant personal injuries, including “bone fractures, joint displacement and
17 lacerations.” The actual number of failed Cranksets is higher than the number
18 officially reported to Shimano, as many such incidents would not be reported to
19 Shimano.

20 66. Similar stories abound on the internet and in the Consumer Protection
21 Safety Commission’s (“CPSC”) data clearinghouse. Examples of complaints made
22 to CPSC including the following:

23 SUDDEN CATASTROPHIC FAILURE OF A SHIMANO
24 ULTEGRA COMPACT CRANK THAT WAS USED ON MY 2007
25 CERVELO R3 BICYCLE. THIS WAS THE 50/34 ULTEGRA 10 SPD
26 CRANK THAT CAME WITH THE BIKE WHEN I BOUGHT IT IN

27 ¹¹ Huang, James, “What’s going on with Shimano’s road cranks?,” Outside
28 Magazine, available at <https://velo.outsideonline.com/road/road-racing/whats-going-on-with-shimanos-road-crank/>, last accessed on December 15, 2023.

1 AUGUST 2007. I HAVE HAD NO PRIOR ISSUES WITH THE
2 CRANK AND HAD BOTTOM BRACKET REPLACED TWICE,
3 MOST RECENTLY 15 MONTHS EARLIER. AS YOU CAN SEE IT
4 FAILED DRAMATICALLY. ON 12 SEPTEMBER 2015 I WAS
5 RIDING UPHILL ON HWY 39 AT ABOUT 8-10 MPH IN THE SAN
6 GABRIEL MTNS AND GOT TO A SWITCHBACK I HAD BEEN
7 ON COUNTLESS TIMES IN THE PAST (AND EARLIER IN THE
8 SAME DAY) WHEN OUT OF THE SADDLE THE CRANK
9 SUDDENLY FAILED WITH ZERO WARNING AND I TUMBLED
10 INTO THE ROAD. I AM 6'1" AND WEIGH 188LBS. THE BIKE
11 HAS NEVER BEEN IN ANY SORT OF MAJOR ACCIDENT AND
12 THAT PEDAL HAS NEVER BEEN HIT HARD IN ANY KIND OF
13 MISHAP. NO ONE OTHER THAN ME AND SHOP PERSONNEL
14 HAVE EVER RIDDEN THE BIKE. OTHER THAN SCRAPES I
15 WAS UNHURT. I INCLUDE PHOTOS WITH THE CRANKSET IF
16 A SUBSEQUENT PAGE OF THE REPORT WILL ALLOW ME TO
17 DO SO.¹²

18 THE SHIMANO ULTEGRA 6800 CRANKS ON MY ROAD BIKE
19 FAILED. THE CRANK CRACKED AT THE SPINDLE. THIS
20 CREATED A POTENTIALLY HAZARDOUS SITUATION AS IF
21 THERE WAS A COMPLETE FAILURE, WHICH WAS SURE TO
22 EVENTUALLY HAPPEN, A CRASH WAS LIKELY TO OCCUR.
23 THE CRACK WAS PICKED UP BY MY LOCAL BIKE SHOP.
24 THERE SEEM TO BE A LOT OF REPORTS OF FAILURES OF
25 THIS PARTICULAR CRANK. IT SHOULD NOT FAIL DURING
26 NORMAL USAGE. MY BIKE WAS NEVER CRASHED OR
27 DAMAGED. THESE CRANKS SHOULD BE RECALLED AND
28 REPLACED. THEY ARE NOT SAFE. THERE WAS NO
"INCIDENT" AS I DID NOT CRASH.¹³

BICYCLE: SHIMANO DURA ACE 10 SPEED CRANK ARM
BROKE IN HALF. ITS LUCKY I WAS NOT INJURED OR
KILLED.¹⁴

¹² Incident ID 20150919-69EAB-2147428241, September 2015 (all caps included in the original).

¹³ Incident ID 20190807-A0F41-2147379394, August 2019 (all caps included in the original).

¹⁴ Incident ID 2021.215-FR798-2147365875, February 2021 (all caps included in the original).

1 SHIMANO FC-7800 DURA ACE CRANK ARM ON HIGH-END
2 BICYCLE SNAPPED WITHOUT WARNING.¹⁵

3 A FRIEND OF MINE WAS INJURED WHEN THE CRANKARM OF
4 HIS BIKE SNAPPED IN HALF AS HE WAS ACCELERATING,
5 AND AS IT TURNS OUT, THESE TYPES OF CRANKS HAVE
6 SUCH A NOTORIOUS REPUTATION THAT A WHOLE
7 [REDACTED] ACCOUNT HAS BEEN MADE CATALOGUING
8 THE FAILURES OF SHIMANO'S CRANKARMS. [REDACTED].¹⁶

9 67. On information and belief, Shimano likely possess records regarding
10 thousands of complaints about Defective Cranksets and the defect dating back to at
11 least 2012.

12 68. Not only do the number of complaints and the publicity of such through
13 media, blogs, news outlets, and various other channels, as well as Defendants' own
14 statements, comments, and responses to such outlets, demonstrate that Defendants
15 must have been keenly aware of this defect for at least many years, but the substance
16 of the complaints shows that consumers were surprised, frustrated, and disappointed
17 with the poor build quality of the Class Bicycles and Defective Cranksets, and would
18 not have purchased the Class Bicycles and Defective Cranksets had the defect been
19 disclosed.

20 69. Defendants would have seen the above-described complaints and news
21 coverage because Online Reputation Management (ORM) is now a standard business
22 practice among major companies and entails monitoring consumer forums, social
23 media, and other sources on the internet where consumers can review or comment
24 on products. ORM involves the monitoring of the reputation of an individual or a
25 brand on the internet, addressing content, which is potentially damaging to it, and
26 using customer feedback to try to solve problems before they damage the
27 individual's or brand's reputation. Many companies offer ORM consulting services

28 ¹⁵ Incident ID 20210619-2246D-2147363413, June 2021 (all caps in original).

¹⁶ Incident ID 20220415-66EFB-2147356847, April 2022 (all caps in original).

1 for businesses.

2 70. Like most companies, Defendants care about their reputation and
3 regularly monitor online customer reviews and media because they provide valuable
4 data regarding quality control issues, customer satisfaction, and marketing analytics.
5 Poor reviews and negative media attention would be particularly attention-grabbing
6 for Defendants' management because negative publicity and poor reviews are often
7 the result of material problems. As such, Defendants' management knew about the
8 above-referenced consumer complaints, which is further evidenced by their
9 documented responses to bike shops, blogs, and other outlets.

10 71. While bicyclists experienced the defect when their Defective Cranksets
11 failed, they did not know, and could not know, *why* their Defective Cranksets had
12 failed and that they had failed due to a defective design. Even experienced bike store
13 owners could not independently determine that the Defective Cranksets posed a
14 safety hazard. As Roderick Russell, who has owned a bike store for more than ten
15 years and sells hundreds of bicycles every year, stated, "Prior to Shimano's
16 announcement of the recall, I was not aware of the bonding separation and
17 delamination issue because the Shimano Cranksets did not appear defective to the
18 naked eye."¹⁷

19 72. Defendants, on the other hand, are experienced in designing and
20 manufacturing bicycle parts such as the Class Bicycles and Defective Cranksets.
21 They are exclusively privy to a host of factors that go into the design and manufacture
22 of the Defective Cranksets. Dr. Kim Cameron is a Principal at ESI, a leading
23 scientific and engineering consulting firm. She has twenty years of experience
24 consulting in the areas of mechanical engineering and materials science, has led
25 numerous multidisciplinary engineering investigations, and performed many failure
26 analyses, including of exercise equipment and bicycles. Upon examination of the
27

28 ¹⁷ Russell Decl., Exh. 1 ¶ 6.

1 subject crankset, she described the hollow Crankset design and the potential
2 mechanisms of failure when the adhesive used to join the parts of the Defective
3 Cranksets does not remain intact causing the Defective Cranksets to break apart.
4 Consumers, on the other hand, “would find it difficult to assess the adequacy of the
5 design because several critical factors are only known to Shimano, including: surface
6 preparation before application of adhesive; adhesive properties; applied adhesive
7 thickness and location; processing steps related to adhesive; and part tolerances.”

8 73. As an experienced manufacturer, Defendants conduct pre-sale and post-
9 sale testing to verify design integrity and the safety risks posed to users of the Class
10 Bicycles and Defective Cranksets. Defendants would have conducted additional
11 post-sale testing upon being notified of the earliest above-described complaint. On
12 information and belief, Defendants discovered this safety risk during testing both
13 before and after publicly releasing the Class Bicycles and Defective Cranksets for
14 sale. Consumers are not able to conduct the testing required to know that their
15 cranksets are safe. They do not know that the Defective Cranksets are made from
16 separate hollow parts which are simply glued together or what type of adhesive is
17 holding the Defective Cranksets together. As Dr. Cameron states, it “would be
18 helpful to investigate the fracture surfaces with a scanning electron microscope to
19 determine whether fatigue was part of the failure mechanism. The adhesive and
20 surface could also be better examined under a microscope and Fourier-transform
21 infrared spectroscopy could potentially be used to identify the chemical composition
22 of the adhesive.”

23 74. Worse, the Defective Cranksets can and do break without warning, so
24 riders do not gradually learn or become aware that they are in danger. As Dr.
25 Cameron states, “when assessing the design and failures of the crankset, of particular
26 concern is that consumers will not necessarily be alerted to the initial failure of the
27 adhesive depending on how the loss of adhesion progresses. It is possible for the
28

1 failure to be sudden when the loss of adhesive propagates quickly under load.”

2 75. Another failure investigation performed by Dr. Mark Bingley
3 concluded that the “failure might well occur suddenly and without warning and result
4 in widespread “unzipping” of the inner and outer channels and the complete failure
5 (as observed) of the crank arm. The analysis indicates that this would be possible at
6 relatively low loads that might easily be applied during normal cycling conditions.”¹⁸

7 76. In sum, Defendants have known of the defect and its associated
8 manifestations and damage through (1) records of customer complaints, (2) media,
9 (3) direct communications with bike shops and customers seeking to make
10 Defendants aware of the problem, and (4) pre- and post-sale testing, but made no
11 substantive design modifications to eliminate the defect, and did not recall the
12 Defective Cranksets until September 21, 2023, despite knowing the defect existed
13 almost a decade prior.

14 **D. Defendants’ Misrepresentations and Omissions Regarding the Defective**
15 **Cranksets and Class Bicycles**

16 77. All Defendants made affirmative misrepresentations regarding the
17 Defective Cranksets and/or the Class Bicycles.

18 78. Shimano regularly touted the stiffness and durability of the Defective
19 Cranksets in its marketing materials to assure customers of its products’ safety. In
20 doing so, Shimano knew that stiffness and durability are two characteristics that tie
21 directly to the safety and reliability of a crankset and Shimano falsely touted these
22 characteristics to induce consumer reliance.

23 79. With respect to its overall bicycle engineering and manufacturing
24 capabilities, Shimano told consumers, “we realize innovative new products excelling
25 both in high precision and in durability by the metal-processing technologies we have
26

27 ¹⁸ See [https://road.cc/content/feature/investigating-shimanos-snapping-cranksets-](https://road.cc/content/feature/investigating-shimanos-snapping-cranksets-304173)
28 [304173](https://road.cc/content/feature/investigating-shimanos-snapping-cranksets-304173) (accessed on April 29, 2024).

1 developed for many years.”¹⁹

2 80. Shimano’s website describes the entire Hollowtech II series, which
3 includes all of the Defective Cranksets, as “the best balance of stiffness, strength,
4 weight and rotating performance,” and “high-precision sealing in the bearing area to
5 increase durability maintaining the excellent rotating performance for long periods.”
6 Shimano’s references to the Defective Cranksets’ stiffness and durability are made
7 to induce consumer reliance.²⁰

8 81. Shimano has published numerous marketing materials on their website
9 and through third-party media outlets emphasizing the Defective Cranksets’
10 performance, strength, reliability and durability to further induce consumer reliance
11 on the purported high-quality of its Defective Cranksets:²¹

- 12 • “the best balance of stiffness, strength, weight and rotating performance;”
- 13 • ”[T]he crankset is designed by careful consideration of the total balance of
14 those elements to prevent breakage;”
- 15 • “high precision sealing in the bearing area to increase durability;”
- 16 • “Maintains high rigidity and reduces weight;”
- 17 • “Its outboard bottom bracket bearing system provides better weight
18 distribution and more pedaling stability; and”
- 19 • “HOLLOWTECH technology is an ultra-lightweight hollow crankarm
20 created by SHIMANO with the company’s own proprietary forging
21 technology that also maintains rigidity.”

22
23 ¹⁹ <https://www.shimano.com/en/manufacturing/bicycle.html>, last accessed on
24 December 15, 2023.

25 ²⁰ <https://bike.shimano.com/en-EU/technologies/component/details/hollowtech-2.html>, last accessed on December 15, 2023.

26 ²¹ E.g., <https://bike.shimano.com/en-EU/technologies/component/details/hollowtech-2.html>;
27 <https://bike.shimano.com/en-US/product/component/duraace-9000/FC-9000.html>;
28 <https://www.bikeradar.com/news/shimano-dura-ace-9000-launched/>;
<https://www.shimano.com/en/manufacturing/bicycle.html>.

82. These representations are misleading because they were made to assure consumers of the safety of the Defective Cranksets, that they were durable, and would not break. Indeed, as the owner of a bicycle store who sells hundreds of bikes every year, points out, “[i]n the cycling community, these terms are understood as representations about the cranksets’ performance and safety.”²² Terms and phrases like “rigidity,” “more pedaling stability,” and “designed...to prevent breakage” were employed by Shimano for this purpose, despite the opposite being true: the Defective Cranksets were designed with the Crankset Defect, which resulted in an unreasonable risk of physical injury during ordinary use. Defendants omitted this information on packaging, labeling, and advertising to benefit their bottom line.

83. None of these representations made by Shimano was accurate. In fact, they affirmatively misrepresented the qualities of the Defective Cranksets. The Defective Cranksets were not “designed...to prevent breakage,” and, in fact, did break for several consumers. Similarly, the Defective Cranksets do not provide consumers with more pedaling stability since the Crankset Defect jeopardizes pedaling stability and rider safety.

84. As Shimano has its principal place of business in California, on information and belief, decisions about the Defective Cranksets, including, but not limited to, marketing, advertising, promotional activities, and literature about the Defective Cranksets were coordinated at, emanated from, and were developed, conceived, approved and otherwise controlled, at its California headquarters. All critical decisions regarding the Defective Cranksets, were made in California and via Shimano’s California-based executives and leadership personnel. Many of Shimano’s executives and leadership personnel—including its Director of Distribution, OEM Sales Manager, National Sales Manager, and Marketing Specialists—are located in California. Thus, the deceptive practices,

²² Russell Decl., Exh. 1 ¶ 13.

misrepresentations, and omissions alleged herein were conceived, reviewed, approved and otherwise controlled from Shimano’s headquarters and principal place of business in California.

85. Specialized regularly touted the quality and reliability of its Class Bicycles. The following is one example of Specialized’s pervasive marketing of its bicycles as flawless and high-quality²³:

Strive for Performance: We seek to relentlessly innovate, in order to redefine riders' expectations for safety, performance, and durability.

86. As another example of Specialized’s pervasive marketing regarding the quality of its Class Bicycles, Specialized claimed that, with respect to its Tarmac SL6 Class Bicycle, it “scrutinized every single aspect . . . to ensure you’re getting the perfect ride.”²⁴

87. Specialized made these statements to induce consumers to rely on the high quality of its Class Bicycles, including the component Defective Crankset. The terms Specialized used to describe Class Bicycles “are understood as representations about the [products’] performance and safety” in the cycling community.²⁵

88. None of these representations made by Specialized was accurate. In fact, they affirmatively misrepresented the qualities of the Defective Cranksets. Instead of being safe and durable, Specialized Class Bicycles came equipped with Defective Cranksets that can separate and fail without warning and cause accidents, crashes, and significant personal injury. Specialized omitted, and did not disclose, that its Class Bicycles in fact were unsafe and not durable because they were

²³ <https://www.specialized.com/us/en/sustainability>, last accessed on April 28, 2024.

²⁴ <https://rocknroadcyclery.com/products/2019-specialized-tarmac-men-sl6-comp-disc>, last visited on December 21, 2023.

²⁵ Russell Decl., Exh. 1 ¶ 13.

1 equipped with Defective Cranksets.

2 89. As Specialized has its principal place of business in California, on
3 information and belief, decisions about its Class Bicycles and the Defective
4 Cranksets, including, but not limited to, marketing, advertising, promotional
5 activities, and literature about its Class Bicycles and the Defective Cranksets were
6 coordinated at, emanated from, and were developed, conceived, approved and
7 otherwise controlled, at its California headquarters, and that all critical decisions
8 regarding its Class Bicycles and the Defective Cranksets, were made in California
9 and via Specialized's California-based executives and leadership personnel. Many
10 of Specialized's executives and leadership personnel—including its Global Digital
11 Planning & Consumer Engagement Leader, Merchandising Director, Founder &
12 Chief Executive Officer, Chief Operating Officer, and Global Marketing Operations
13 Leader, and Chief Marketing Officer—are located in California. Thus, the deceptive
14 practices, misrepresentations, and omissions alleged herein were conceived,
15 reviewed, approved and otherwise controlled from Specialized's headquarters and
16 principal place of business in California.

17 90. Trek regularly touted the quality of its Class Bicycles. Trek holds itself
18 out as selling "bikes to last" and "stand[s] behind every one that...bears [the Trek]
19 name."²⁶ Trek posits that it "has applied the most sophisticated concepts of
20 metallurgy and stretched them to the absolute maximum."²⁷ In fact, of its carbon
21 frame bikes, Trek states that its bike frames and components minimize voids, or "the
22 spaces that exist between the layers of carbon fiber...as more voids translates to
23 reduced strength and durability of the composite material."²⁸

24 _____
25 ²⁶ https://www.trekbikes.com/au/en_AU/inside_trek/oclv_carbon/, last accessed on
April 28, 2024.

26 ²⁷ https://www.trekbikes.com/au/en_AU/inside_trek/aluminum/, last accessed on
April 28, 2024.

27 ²⁸ https://www.trekbikes.com/au/en_AU/inside_trek/oclv_carbon/, last accessed on
28 April 28, 2024.

91. Trek further tells consumers that each of its bicycles comes with “a carefully selected combination of parts,” including “the cranks,” and that Shimano in particular “makes incredible components for our bikes which have their own benefits to better suit how you like to ride.”²⁹

92. Trek so integrated Shimano’s branding and components into its own branding and marketing that Trek painted Shimano’s logo on certain high-end Trek Class Bicycles alongside the Trek logo.



93. None of these representations made by Trek was accurate. In fact, they affirmatively misrepresented the specific qualities of the Defective Cranksets in order to induce consumers to rely on the purported safety and durability of Trek’s Class Bicycles. The terms Trek used to describe Class Bicycles are understood as representations about the their Class Bikes’ performance and safety in the cycling community.³⁰

²⁹ https://www.trekbikes.com/us/en_US/road_buyers_guide/, last accessed on December 30, 2023.

³⁰ Russell Decl., Exh. 1 ¶ 13.

1 94. Instead, the Trek Class Bicycles were equipped with Defective
2 Cranksets made by Shimano that can unexpectedly separate and fail, causing crashes
3 and significant personal injury, directly contradicting Trek’s claims about the safety
4 of the Class Bicycles. Trek misled, omitted, and did not disclose, that its Class
5 Bicycles in fact were equipped with Defective Cranksets.

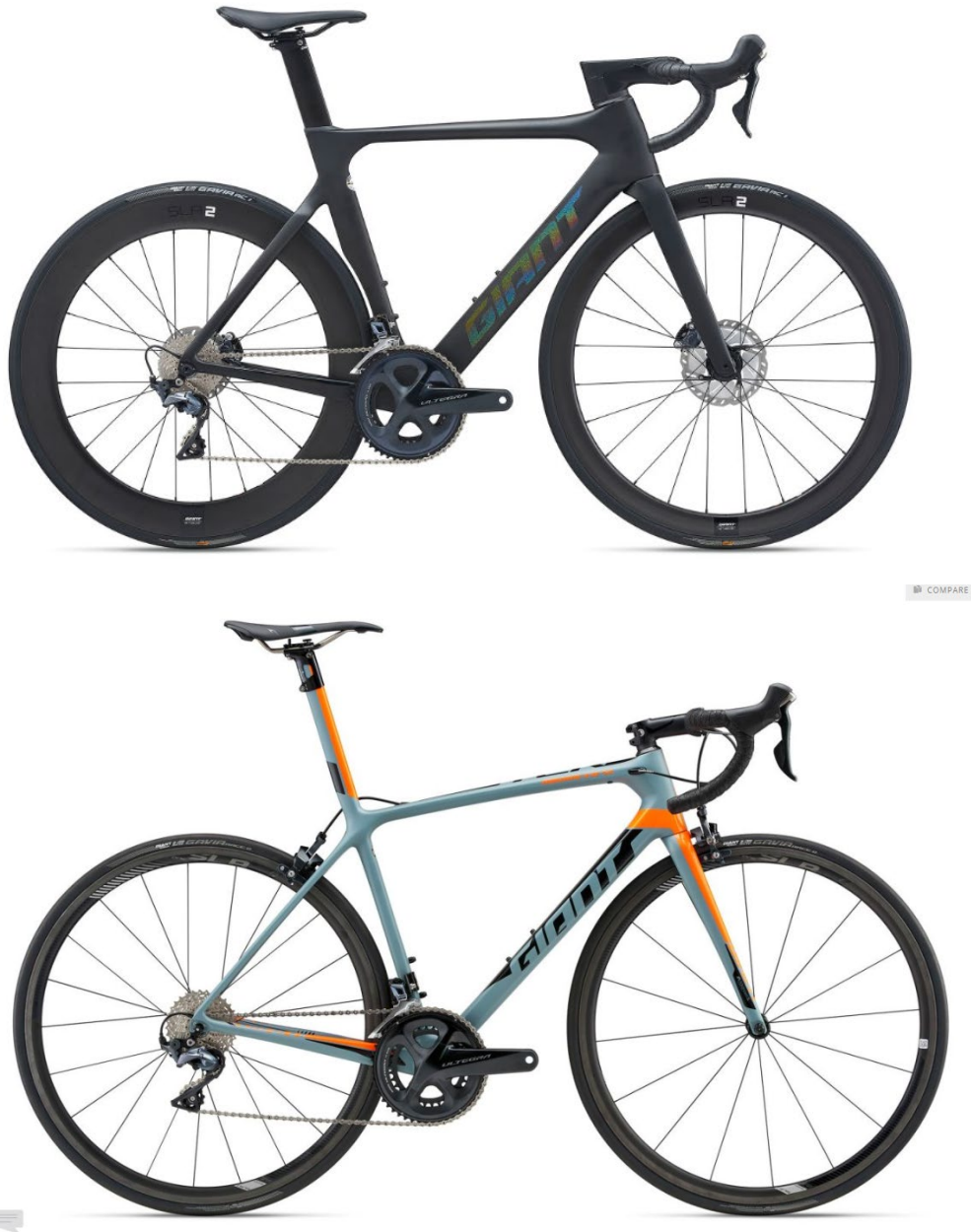
6 95. Giant holds itself out as “the world’s leading brand of high-quality
7 bicycles and cycling gear.”³¹ Trek represents that its bikes will unleash each rider’s
8 full potential, whatever their goal might be. Giant further represents that its bikes
9 combine craftsmanship, technology and innovative design. Giant’s representations
10 about itself as a company and its Class Bicycles emphasize winning. For example,
11 Giant represented that its Propel Advanced Disc 1 bike was good “[o]n the attack, in
12 a spring, or cornering at speed” and that “it gets up to speed and stays there with
13 minimal resistance.” Similarly, Giant represented that its TCR Advanced SL bike was
14 “[k]ing of the mountains. The race leader’s jersey. Any race, any time, this legendary
15 road machine is a proven winner.” Giant further represented that the TCR Advanced
16 SL could “[p]ower up steep climbs. Sprint for the finish. Whatever the race situation,
17 the legendary TCR Advanced SL gives you an advantage.”

18 96. These representations convey the message that Giant’s Class Bicycles
19 function properly under normal riding and, as described by Giant, are “high-quality”
20 and, therefore, utilize safe and reliable parts.

21 97. Giant’s Class Bicycles, however, were equipped with Defective
22 Cranksets. As just two examples, Giant’s Propel and TCR Advanced SL bikes were
23
24
25
26
27

28 ³¹ <https://www.giant-bicycles.com/us/about-us>, last accessed on December 22, 2023.

originally equipped with Shimano Ultegra 11-speed cranksets.



98. None of these representations made by Giant was accurate. In fact, they affirmatively misrepresented the qualities of the Defective Cranksets. Class Bicycles are not “high-quality.” They are not fit for any goal a rider may have. They are not of high-quality craftsmanship. They do not give riders an advantage and they do not function properly under normal riding conditions. Rather, the Class Bicycles were

1 equipped with Defective Cranksets made by Shimano that can unexpectedly separate
2 and fail, causing crashes and significant personal injury. Giant omitted, and did not
3 disclose, that its Class Bicycles in fact were equipped with Defective Cranksets.

4 99. As Giant has its principal place of business in California, on information
5 and belief, decisions about the Class Bicycles and Defective Cranksets, including,
6 but not limited to, marketing, advertising, promotional activities, and literature about
7 the Class Bicycles and Defective Cranksets were coordinated at, emanated from, and
8 were developed, conceived, approved and otherwise controlled, at its California
9 headquarters. All critical decisions regarding the Class Bicycles and Defective
10 Cranksets, were made in California and via Giant's California-based executives and
11 leadership personnel. Many of Giant's executives and leadership personnel—
12 including its Global Product Marketing Manager, Sales Operations Manager, Global
13 Head of Product & Marketing, Product Management Director, and Director of Group
14 Global Marketing—are located in California. Thus, the deceptive practices,
15 misrepresentations, and omissions alleged herein were conceived, reviewed,
16 approved and otherwise controlled from Giant's headquarters and principal place of
17 business in California.

18 100. All Defendants omitted, concealed, and/or failed to disclose the
19 Crankset Defect. On information and belief, all Defendants were aware of the
20 Crankset Defect in the Defective Cranksets. Despite this knowledge, and despite the
21 representations alleged above, none of the Defendants disclosed the Crankset Defect
22 or the safety risks associated therewith.

23 **E. Defendants' Duty to Disclose the Crankset Defect**

24 101. Knowledge of Material Safety Risk: As alleged, The Defective
25 Cranksets give rise to material safety concerns, which are particularly pronounced
26 among modern road bicycles that are predominantly ridden on roads, at high speed,
27 near motor vehicles, while operators' feet are clipped into the pedals attached to the
28

1 end of the crank arms because these operators are riding nearest to dangerous traffic
2 and moving at significant speeds. Shimano's notice of the CPSC recalls states plainly
3 that it is being made due to "safety and quality" concerns and to address "any
4 possible safety hazard to our consumers." These material safety concerns associated
5 with the Defective Cranksets have led to accidents and physical injuries from riding
6 Class Bicycles and/or bicycles equipped with Defective Cranksets. This safety-
7 related defect in the Defective Cranksets and Class Bicycles triggers a duty to
8 disclose.

9 102. Superior Knowledge: As alleged, Defendants alone designed and
10 manufactured the Class Bicycles and the Defective Cranksets. And, only Defendants
11 are aware of the elements that go into the design and manufacture of a crankset. Dr.
12 Cameron lists some of these particular factors, which are proprietary to Defendants:
13 surface preparation before application of adhesive; adhesive properties; applied
14 adhesive thickness and location; processing steps related to adhesive; and part
15 tolerances. As experienced manufacturers, Defendants conduct tests, including pre-
16 sale testing, to verify the cranksets they sell are free from defects and align with
17 Defendants' specifications, marketing representations, and intended use. The tests
18 required to measure the strength and durability of the materials used in the
19 manufacture of the Defective Cranksets cannot be conducted by consumers, and only
20 Defendants can properly investigate failed cranksets. As Dr. Cameron advises, in the
21 wake of a failure, "it would be helpful to investigate the fracture surfaces with a
22 scanning electron microscope to determine whether fatigue was part of the failure
23 mechanism. The adhesive and surface could also be better examined under a
24 microscope and Fourier-transform infrared spectroscopy could potentially be used to
25 identify the chemical composition of the adhesive." Defendants also receive,
26 monitor, and aggregate consumer complaints and publications regarding the crankset
27 failures, accidents, and parts that do not perform as designed or advertised. A
28

1 reasonable consumer does not have access to the granular design and engineering
2 data in Defendants' possession and would not be on notice of the presence of a design
3 defect, would not be on notice of the design defect, and would have no knowledge
4 of the causes of the crankset failures, or the severity of the design defect. A
5 reasonable consumer is also not privy to the engineering or bicycle expertise
6 possessed by Defendants and does not possess the equipment or knowledge
7 necessary to enable them to learn of the Crankset Defect.

8 103. Active Concealment: Defendants actively concealed the Crankset
9 Defect. As described above, Defendants actively concealed the Crankset Defect from
10 Plaintiffs and the other Class Members in direct communications with them and in
11 communications with the media. In response to consumer complaints about crankset
12 failures, Defendants' offered to replace the Defective Cranksets with the same
13 Defective Cranksets ensuring that the Crankset Defect will manifest again outside of
14 the warranty period allowing Defendants to deny warranty claims entirety.
15 Defendants also responded to negative reviews about the crankset failures by
16 denying the existence of any design defect in the cranksets, even to specialized
17 biking publications, as the Hambini report notes. In fact, Defendants continue to
18 expressly deny that all Defective Cranksets are defective or pose an unreasonable
19 safety risk by instituting an inadequate recall.

20 104. Partial Representation: Defendants made many representations as to
21 the quality of their products, but routinely failed to disclose the existence of the
22 Crankset Defect. These partial representations did not reveal the full truth—that the
23 Defective Cranksets were defective and posed a serious risk of accident and personal
24 injury. By choosing to speak and making partial representations regarding the
25 Defective Cranksets, Defendants were obligated to speak fully and truthfully
26 regarding the Defective Cranksets.

27 105. Defendants could have and should have prominently disclosed the
28

1 defect on the product listings on its website, on the Defective Cranksets' packaging,
2 and to third-party retailers. Had Defendants disclosed the defect in this manner,
3 consumers would have been aware of it.

4 **F. Defendants' Recall Is Inadequate to Remedy the Defect or Harm**
5 **Suffered by Plaintiffs and the Other Class Members**

6 106. On September 21, 2023, Shimano finally issued a recall on the
7 Defective Cranksets.

8 107. According to Shimano's recall, the Defective Cranksets "can separate
9 and break, posing a crash hazard to consumers," and "[c]onsumers should
10 immediately stop using the cranksets manufactured before July 1, 2019, and contact
11 an authorized Shimano dealer to schedule a free crankset inspection."³² Shimano
12 directed retailers to opt into an "Inspect and Replace" program, so that the dealer
13 would be listed as an "Authorized Inspection" location, and directed dealers to obtain
14 Shimano's "B2B Access" to participate in the recall, and authorized payments to the
15 retailers in connection with the recall.

16 108. Shimano's recall then explains that "[o]nly consumers whose
17 cranksets show signs of bonding separation or delamination during the inspection
18 will be provided a free replacement crankset and installation."³³

19 109. Shimano's recall is inadequate for multiple reasons, including:

- 20 • First, hundreds of thousands of consumers are now left without a bicycle
21 while they navigate the process of attempting to schedule a time-
22 consuming inspection with a finite number of local bicycle mechanics
23 alongside hundreds of thousands of other impacted cyclists. This process
24 will inevitably cause consumers to be without their bicycles for extended
25

26 ³² Shimano Recalls Cranksets for Bicycles Due to Crash Hazard, available at
27 [https://www.cpsc.gov/Recalls/2023/Shimano-Recalls-Cranksets-for-Bicycles-Due-](https://www.cpsc.gov/Recalls/2023/Shimano-Recalls-Cranksets-for-Bicycles-Due-to-Crash-Hazard)
28 [to-Crash-Hazard](https://www.cpsc.gov/Recalls/2023/Shimano-Recalls-Cranksets-for-Bicycles-Due-to-Crash-Hazard), last accessed on December 30, 2023.

³³ *Id.*

1 periods of time while they await the initial inspection.

- 2 • Second, Shimano touts the Defective Cranksets as sophisticated pieces of
3 performance engineering, but, to save money during the recall, is deferring
4 to local bike shops to make an important engineering determination –
5 whether any particular Defective Crankset shows “signs of bonding
6 separation or delamination” – that is critical to rider safety. Many local
7 bicycle mechanics are not engineers and should not be put in the position
8 of making complicated engineering judgments related to a critical safety
9 issue (and incurring the potential legal liability in the event a replacement
10 is denied and the Defective Crankset later breaks and causes an injury).
11 Making matters worse, on information and belief, the bicycle mechanics
12 are being asked to make this engineering judgment based solely on a visual
13 inspection, without the benefit of stress testing. Rather, Shimano’s
14 frequently asked questions document provided to retailers directs retailers
15 to “[r]emind [customers] of the importance of paying attention to changes
16 in the sound and feel of how their bike is riding.”
- 17 • Third, and most importantly, rather than offering to repair or replace (or
18 refund) each of the approximately 680,000 Defective Cranksets subject to
19 the U.S. recall, Shimano’s proposed recall remedy states that only
20 “[c]onsumers whose cranksets show signs of bonding separation or
21 delamination during the inspection will be provided a free replacement
22 crankset . . . that the dealer will professionally install.” In other words,
23 Shimano is not offering any remedy for Defective Cranksets that have not
24 yet begun to fail, and consumers who own a Defective Crankset that has
25 not already begun to fail are left in the frightening position of having to
26 ride a dangerous bicycle for months or years, waiting on their cranksets to
27 separate and potentially cause a crash before Shimano will give them a new
28

1 one.

- 2 • Fourth, if consumers have already discarded their Defective Cranksets or
3 attempted to fix it themselves, they are, upon information and belief,
4 ineligible to participate in the recall.
- 5 • Fifth, those consumers eligible to receive a replacement are not made
6 whole as part of the recall. Rather than providing customers a non-defective
7 component of equivalent specification and value, Shimano is replacing the
8 11-speed Defective Cranksets with 12-speed cranksets. These 12-speed
9 cranksets may not properly integrate with the balance of the components
10 on any particular bicycle – for example, the replacement 12-speed
11 cranksets are geared to better interact with the gear ratios of a 12-speed
12 cassette, which most or all consumers replacing an 11-speed Defective
13 Crankset will not have equipped on their bike. And even putting
14 compatibility with other components aside, the replacement 12-speed
15 crankset may not be the desired or optimum performance choice for any
16 particular owner of a Defective Crankset, all of whom had previously
17 selected and purchased an 11-speed crankset as their optimum choice.

18 110. One bicycle shop owner explains the untenable position in which
19 Shimano's recall procedures have placed him. Shimano's "training materials instruct
20 mechanics to visually inspect the cranksets for signs of bonding separation or
21 delamination." However, "Shimano did not provide dealers any equipment to scan
22 or image the Shimano Cranksets to identify signs of bonding separation or
23 delamination, which is necessary to thoroughly examine the cranksets for signs of
24 bonding separation or delamination."³⁴ As he explains, "A visual inspection is
25 insufficient to identify the safety issue with the Shimano Cranksets."³⁵ This is
26

27 ³⁴ Russell Decl., Exh. 1 ¶ 8.

28 ³⁵ *Id.* ¶ 9.

1 because “[t]he cranksets can separate and break at any time, including in the days,
2 weeks, or months after they “pass” the visual inspection performed in connection
3 with the crankset recall. I am aware of a report from another bicycle mechanic that a
4 Shimano Crankset failed shortly after it ‘passed’ a visual inspection. Early signs of
5 separation or delamination may not be visible to the naked eye, and, given the nature
6 of the defect, even those Shimano Cranksets that have not yet started to visibly fail
7 may fail at any time in the future.”³⁶ This is consistent with the conclusions of Dr.
8 Cameron, the mechanic who inspected Plaintiff Semizarov’s bicycle, and the
9 experiences of numerous other riders.

10 111. Shimano made the decision to unreasonably limit the proposed recall
11 remedy for profit reasons. Each of the approximately 680,000 Defective Cranksets
12 sold for between \$270 and \$1,500. Doing the right thing and replacing all of the
13 Defective Cranksets would, on information and belief, cost Shimano hundreds of
14 millions of dollars. By issuing a narrow recall with a plainly inadequate remedy –
15 shop inspection followed by only replacing the subset of Defective Cranksets that a
16 shop inspector determines have already begun to fail – Shimano will save significant
17 money at the expense of rider safety.

18 112. A proper recall would replace or refund all the 680,000 Defective
19 Cranksets, including those installed on the Class Bicycles, because they are unsafe
20 and pose a serious risk to users. However, the Defendants are yet again placing their
21 finances over consumer safety and the majority of Class Bicycles and Defective
22 Cranksets are still on the road endangering consumers and the public at large. For
23 many, it will be too late to replace the Defective Cranksets, including those installed
24 on the Class Bicycles, after they have started to show failure. Many will continue to
25 fail even with customers taking extra precautions and inspecting the Class Bicycles
26 and Defective Cranksets. Defendants need to revise their recall and replace and
27

28 ³⁶ *Id.*

1 remove from the streets all the defective and unsafe Defective Cranksets, including
2 those installed on the Class Bicycles.

3 113. Upon information and belief, Shimano does not have a sufficient
4 quantity of non-defective cranksets to replace all of the Defective Cranksets.

5 114. Neither Specialized, Trek, nor Giant have issued a recall on the Class
6 Bicycles.

7 **G. Plaintiffs' Counsel Served Defendants with Sufficient Pre-Suit Notice**

8 115. Plaintiffs' counsel, on behalf of Plaintiffs, served Defendants with
9 notice of their violations of applicable consumer-protection and warranty laws
10 related to the Defective Cranksets and demanded that Defendants correct or agree to
11 correct the actions described therein.

12 116. In accordance with section 1782(a) of the CLRA, Plaintiffs' counsel,
13 on behalf of Plaintiffs and the other Class Members, sent Shimano notice, on and
14 September 29, 2023, of their alleged violations of Cal. Civ. Code §§ 1770(a) relating
15 to the defectively designed Class Bicycles and Defective Cranksets purchased by
16 Plaintiffs and the other Class Members, and demanded that they correct or agree to
17 correct the actions described therein within thirty (30) days of such notice. Plaintiffs'
18 counsel, on behalf of Plaintiffs Jarett Hawkins and Christopher Jennings and the
19 other Class Members, also sent Shimano notice in accordance with section 1782(a)
20 on October 27, 2023. Plaintiffs' counsel, on behalf of Plaintiffs and the other Class
21 Members, sent Specialized notice, on September 29, 2023, of their alleged violation
22 of Cal. Civ. Code §§ 1770(a) relating to the defectively designed Class Bicycles and
23 Defective Cranksets purchased by Plaintiffs and the other Class Members, and
24 demanded that they correct or agree to correct the actions described herein within
25 thirty (30) days of such notice. Plaintiffs' counsel, on behalf of Plaintiffs Jarett
26 Hawkins and Christopher Jennings and the other Class Members, also sent Shimano
27 notice in accordance with section 1782(a) on October 30, 2023. Plaintiffs' counsel,
28

1 on behalf of Plaintiffs and the other Class Members, sent Giant notice, on December
2 29, 2023, of their alleged violation of Cal. Civ. Code §§ 1770(a) relating to the
3 defectively designed Class Bicycles and Defective Cranksets purchased by Plaintiffs
4 and the other Class Members, and demanded that they correct or agree to correct the
5 actions described herein within thirty (30) days of such notice. Plaintiffs' counsel,
6 on behalf of Plaintiffs and the other Class Members, sent Trek notice, on September
7 29, 2023, of their alleged violation of Cal. Civ. Code §§ 1770(a) relating to the
8 defectively designed Class Bicycles and Defective Cranksets purchased by Plaintiffs
9 and the other Class Members, and demanded that they correct or agree to correct the
10 actions described herein within thirty (30) days of such notice.

11 117. Similarly, Plaintiffs' counsel, on behalf of Plaintiffs and the other
12 Class Members, sent Shimano notice, on September 29, 2023 and October 27, 2023,
13 of their alleged violations of the express and implied warranty statutes in all 50 states
14 and the District of Columbia relating to the defectively designed Class Bicycles and
15 Defective Cranksets purchased by Plaintiffs and the other Class Members, and
16 demanded that they correct or agree to correct the actions described therein.
17 Plaintiffs' counsel, on behalf of Plaintiffs and the other Class Members, sent
18 Specialized notice, on September 29, 2023 and October 30, 2023, of their alleged
19 violations of the express and implied warranty statutes in all 50 states and the District
20 of Columbia relating to the defectively designed Class Bicycles and Defective
21 Cranksets purchased by Plaintiffs and the other Class Members, and demanded that
22 they correct or agree to correct the actions described therein. Plaintiffs' counsel, on
23 behalf of Plaintiffs and the other Class Members, sent Trek notice, on September 29,
24 2023, of their alleged violations of the express and implied warranty statutes in all
25 50 states and the District of Columbia relating to the defectively designed Class
26 Bicycles and Defective Cranksets purchased by Plaintiffs and the other Class
27 Members, and demanded that they correct or agree to correct the actions described
28

1 therein. Plaintiffs' counsel, on behalf of Plaintiffs and the other Class Members, sent
2 Giant notice, on December 29, 2023, of their alleged violations of the express and
3 implied warranty statutes in all 50 states and the District of Columbia relating to the
4 defectively designed Class Bicycles and Defective Cranksets purchased by Plaintiffs
5 and the other Class Members, and demanded that they correct or agree to correct the
6 actions described therein.

7 118. On January 2, 2024, Plaintiffs' counsel, on behalf of Plaintiffs all
8 named Plaintiffs and Class Members, sent each Defendant a follow up notice letter
9 reaffirming their alleged violations of the consumer protection statutes, and breaches
10 of express and implied warranty statutes, in all in all 50 states and the District of
11 Columbia relating to the defectively designed Class Bicycles and Defective
12 Cranksets purchased by Plaintiffs and the other Class Members, and demanded that
13 they correct or agree to correct the actions described therein.

14 119. Furthermore, Plaintiffs' counsel, on behalf of Plaintiffs and Class
15 Members, provided Defendants with sufficient notice of their alleged violations of
16 the consumer protection statutes, and breach of express and implied warranty
17 statutes, by filing the initial complaint in this matter and in *Jose Erazo et al v.*
18 *Shimano North America Bicycle, Inc. et al*, No. 8:23CV02174 (C.D. Cal. 2023).

19 **H. Safety Risks Associated with Use of the Class Bicycles and Defective**
20 **Cranksets and Harm Suffered by Plaintiffs and the Other Class**
21 **Members**

22 120. As a result of the safety risks to consumers associated with normal use
23 of the Class Bicycles and Defective Cranksets, together with Defendants'
24 misrepresentations, concealment and omission of these risks from the date they were
25 first reported to Defendants or discovered by Defendants, the Class Bicycles and
26 Defective Cranksets are subject to an inadequately narrow recall and have been
27 rendered entirely worthless or, at the very least, have substantially diminished in
28

1 value.

2 121. Material safety defects, like the Crankset Defect, affect the market price
3 of a product. Consumers are not willing to overlook such dangers and would instead
4 purchase a comparable product manufactured by another company without a recent
5 history of wide-scale product recalls.

6 122. The Defendants' recent recall instructs consumers to stop using the
7 Class Bicycles and Defective Cranksets and subject their Class Bicycles and
8 Defective Cranksets to a visual inspection at a local bike shop. This demonstrates
9 that at the very least, the value of the Class Bicycles and Defective Cranksets has
10 substantially diminished because bicyclists should not use them because separation
11 or failure during use is a severe hazard to the bicyclist and potentially the public at
12 large.

13 123. As a result of the foregoing, the Defective Cranksets and Class Bicycles
14 are worth less than the prices the Class Members paid for them. When assessing the
15 value of a crankset or bicycle and whether to purchase it, neither the market nor any
16 reasonable consumer would ignore the material danger involving bonded crank parts
17 that separate and break, posing a crash hazard to consumers. Consequently, Plaintiffs
18 paid more for their Defective Cranksets and Class Bicycles than they otherwise
19 would have because of the Crankset Defect, or they purchased Defective Cranksets
20 and/or Class Bicycles that they otherwise would not have purchased.

21 124. By concealing the Crankset Defect, Defendants distorted and
22 misrepresented the true value of every Defective Crankset and Class Bicycle. Every
23 Plaintiff and Class member received a Defective Crankset and/or Class Bicycle with
24 different characteristics and of different and substantially lesser value than they
25 reasonably believed they were receiving. Accordingly, Plaintiffs and the other Class
26 Members did not realize the benefit of their bargain in purchasing the Defective
27 Cranksets and Class Bicycles, and their expectations as ordinary reasonable
28

1 consumers were not met.

2 125. Plaintiffs and the other Class Members did not receive the benefit of
3 their bargain. They bargained for Class Bicycles and Defective Cranksets that were
4 fit for their ordinary purpose and did not have any safety defect substantially likely
5 to manifest and which could cause severe physical injury. By actively concealing
6 and omitting this information from consumers, including at the point of sale,
7 Plaintiffs and the other Class Members overpaid for the Class Bicycles and Defective
8 Cranksets.

9 126. The Defective Cranksets are but one of the broader sets of “drivetrain”
10 or “groupset” bicycle components, which include not only the crankset but also,
11 among other things, the brake levers/shift levers, rear derailleur, front derailleur, and
12 cassette (the gear sprockets at the rear of the bike). Consumers often purchase these
13 components as part of a single complete set, i.e., many consumers who purchased a
14 Dura-Ace 9100 Defective Crankset also purchased matching Dura-Ace groupset
15 components, all of which were designed and styled to go together on the bicycle.
16 Because of the Defective Cranksets, many consumers will now be forced to either
17 (a) purchase a non-matching crankset to replace the Defective Crankset, and incur
18 the related performance and aesthetic cost, or (b) replace the entire groupset, and
19 incur significant additional out-of-pocket expenses.

20 127. Shimano’s September 21, 2023 recall of the Defective Cranksets was
21 widely publicized in the cycling community, and Shimano’s inadequate recall
22 remedy (i.e., only replacing those Defective Cranksets that have already begun to
23 visibly delaminate or crack) sparked consternation among cyclists. Shimano’s
24 limited recall has thus tainted the resale market for Defective Cranksets and Class
25 Bicycles because, upon information and belief, subsequent purchasers will be less
26 likely to shop for and purchase Class Bicycles out of concern that many will not
27 qualify for replacement of the Defective Crankset under Shimano’s recall.

1 128. For these reasons, every Defective Crankset and Class Bicycle was
2 worth less than what Plaintiffs and the other Class Members paid for them. Plaintiffs
3 and the other Class Members suffered “price premium” damages in the amount they
4 overpaid for the Class Bicycles and Defective Cranksets as a result of the hidden
5 safety defect.

6 129. Moreover, if consumers choose to discontinue using the Class Bicycles
7 and Defective Cranksets for fear of injury, they must pay for another expensive
8 replacement product—either a replacement bicycle or replacement crankset.

9 130. Plaintiff and members of the Classes also suffered out-of-pocket and/or
10 loss-of-use expenses and costs.

11 **TOLLING OF APPLICABLE STATUTE OF LIMITATIONS**

12 131. Any applicable statutes of limitation have been tolled by the discovery
13 rule and Defendants’ knowing and active concealment of the defect.

14 132. Plaintiffs and the other Class Members had no knowledge of the
15 misconduct and concealment alleged herein, or of facts sufficient to place them on
16 inquiry notice of the claims set forth herein, until September 2023 when Shimano
17 recalled the Defective Crankset. Through no fault or lack of diligence, Plaintiffs and
18 the other Class Members were deceived regarding the Crankset Defect and could not
19 reasonably discover it or Defendants’ deception with respect to the defect.

20 133. Prior to purchasing and using the Class Bicycles and Defective
21 Cranksets, Plaintiffs and the other Class Members had no reasonable way of knowing
22 about the Class Bicycles’ and Defective Cranksets’ uniformly defective design
23 resulting in unreasonable risk of separation, delamination, and failure during
24 ordinary use. Further, Plaintiffs and members of the Classes did not discover and did
25 not know facts that would have caused a reasonable person to suspect that
26 Defendants were engaged in the conduct alleged herein. Prior to the recall, no
27 information in the public domain was available to the Plaintiffs and the other Class
28

1 Members sufficient to show the extent of Defendants' misconduct or the extent of
2 the defect.

3 134. Plaintiffs and the other Class Members are consumers who purchased
4 Defective Cranksets and Class Bicycles. No information in the public domain was
5 available to the Plaintiffs and the other Class Members prior to August 2023 that
6 revealed sufficient information to suggest that Defendants were involved in the
7 misconduct or concealment alleged herein. Therefore, the statute of limitations did
8 not begin to run because Plaintiffs and the other Class Members did not and could
9 not discover their claims.

10 135. In the alternative, the statute of limitations did not begin to run because
11 the Defendants fraudulently concealed the Defective Cranksets until, at the earliest,
12 September 2023. On information and belief, Defendant Shimano and the Bicycle
13 Manufacturer Defendants have known of the defects in the cranksets for years,
14 through, among other sources, pre- and post-market testing, customer complaints,
15 warranty repairs, internal investigations, and/or public reporting. Defendants knew
16 of the defects well before the Plaintiffs and many of Class Members purchased the
17 Defective Cranksets and/or Class Bicycles, and have concealed from or failed to
18 notify Plaintiffs, Class Members, and the public of the full and complete nature of
19 the Crankset Defect.

20 136. Plaintiffs and the other Class Members had no means of obtaining any
21 facts or information concerning the proprietary materials constituting the Defective
22 Cranksets, any aspect of Shimano's investigation into the Defective Cranksets
23 (which Shimano refused to disclose publicly) or Shimano's dealings with the Bicycle
24 Manufacturer Defendants, much less the fact that they had engaged in the
25 misconduct and concealment alleged herein. For these reasons, the statute of
26 limitations as to Plaintiffs' and Class Members' claims did not begin to run and has
27 been tolled with respect to the claims that Plaintiffs and the other Class Members
28

1 have alleged in this Complaint.

2 137. Further, by failing to provide immediate notice of the risks of
3 separation, delamination, and failure associated with ordinary use of the Class
4 Bicycles and Defective Cranksets, and by refusing to publicly acknowledge the
5 defect, Defendants actively concealed the defect from Plaintiffs and the other Class
6 Members.

7 138. As alleged above, Plaintiffs did not know and could not have known
8 of the alleged defect in the Crankset and their Class Bicycle because he did not have
9 notice of the facts giving rise to their claims. Plaintiffs first learned of the uniform
10 defect in the Defective Cranksets and their Class Bicycles when Shimano announced
11 its recall on September 21, 2023.

12 139. Upon information and belief, Defendants intended their acts to conceal
13 the facts and claims from Plaintiffs and the other Class Members. Defendants
14 fraudulently concealed the defect in the Class Bicycles and Defective Cranksets until
15 September 21, 2023, the date of the recall.

16 140. Plaintiffs and the other Class Members were unaware of the facts
17 alleged herein without any fault or lack of diligence on their part and could not have
18 reasonably discovered Defendant's conduct.

19 141. For this reason, any statute of limitations that otherwise may apply to
20 the claims of Plaintiffs or Class Members should be tolled based on the discovery
21 rule and Defendants' active concealment.

22 **CLASS ACTION ALLEGATIONS**

23 142. The claims of all Class Members derive directly from the same
24 Defective Cranksets and Class Bicycles that were originally equipped with Defective
25 Cranksets. This case is about the responsibility of Shimano and the Bicycle
26 Manufacturer Defendants for their products, and the affirmative misrepresentations
27 and concealment/omissions they made with respect to their products. Shimano and
28

1 the Bicycle Manufacturer Defendants engaged in uniform and standardized conduct
2 toward the Classes. They did not differentiate, in degree of care or candor, in their
3 actions or inactions, or in the content of their statements or omissions, among
4 individual Class Members. The objective facts are the same for all Class members.
5 Within each cause of action asserted by the respective Classes, the same legal
6 standards govern. Additionally, many states, and for some claims all states, share the
7 same legal standards and elements of proof, facilitating the certification of multistate
8 or nationwide classes for some or all claims. Accordingly, Plaintiffs bring this
9 lawsuit as a class action on their own behalf and on behalf of all other persons
10 similarly situated as members of the proposed Classes pursuant to Federal Rules of
11 Civil Procedure 23(a) and (b)(3) and/or (b)(2). This action satisfies the numerosity,
12 commonality, typicality, adequacy, predominance, and superiority requirements of
13 those provisions.

14 **Nationwide Class:** All persons in the United States who purchased the Class
15 Bicycles and Defective Cranksets during the Class Period other than for
16 resale.

17 **California Subclass:** All persons in California who purchased the Class
18 Bicycles and Defective Cranksets during the Class Period other than for
19 resale.

20 **Florida Subclass:** All persons in Florida who purchased the Class Bicycles
21 and Defective Cranksets during the Class Period other than for resale.

22 **Illinois Subclass:** All persons in Illinois who purchased the Class Bicycles
23 and Defective Cranksets during the Class Period other than for resale.

24 **New York Subclass:** All persons in New York who purchased the Class
25 Bicycles and Defective Cranksets during the Class Period other than for
26 resale.

27 The Nationwide Class, California Subclass, Florida Subclass, Illinois Subclass, and
28 New York Subclass are all referred to as the “Class” or the “Classes.” Members of

1 each of the Classes are referred to, collectively, as “Class Members.”

2 143. Excluded from the Classes are (a) any officers, directors or employees,
3 or immediate family members of the officers, directors, or employees of any
4 Defendant or any entity in which a Defendant has a controlling interest, (b) any legal
5 counsel or employee of legal counsel for any Defendant, and (c) the presiding Judge
6 in this lawsuit, as well as the Judge’s staff and their immediate family members.

7 144. The “Class Period” begins on the date established by the Court’s
8 determination of any applicable statute of limitations, after consideration of any
9 tolling, discovery, concealment, and accrual issues, and ending on the date of the
10 recall issued by Shimano.

11 145. Plaintiff reserves the right to amend the definition of the Classes if
12 discovery or further investigation reveals that the Classes should be expanded or
13 otherwise modified.

14 146. **Numerosity.** Class Members are so numerous and geographically
15 dispersed that joinder of all Class Members is impracticable. While the exact number
16 of Class Members remains unknown at this time, upon information and belief, there
17 are hundreds of thousands of putative Class Members. Moreover, the number of
18 members of the Classes may be ascertained from Defendants’ books and records.
19 Individual joinder of all Class Members is impracticable. Each of the Classes is
20 ascertainable because its members can be readily identified using sales records,
21 production records, and other information kept by Shimano and the Bicycle
22 Manufacturer Defendants or third parties in the usual course of business and within
23 their control.

24 147. **Common Questions of Law and Fact Predominate.** Common
25 questions of law and fact exist for all Class Members and predominate over any
26 questions affecting only individual Class Members. These common legal and factual
27 questions include, but are not limited to, the following:
28

- a. Whether the Defective Cranksets are defective;
- b. Whether the Class Bicycles are equipped with the Defective Cranksets;
- c. Whether the Defective Cranksets suffer from the same or substantially similar defect;
- d. Whether Defendants knew or should have known about the defect, and, if so, for how long;
- e. Whether the Defective Cranksets pose an unreasonable safety risk to consumers;
- f. Whether the defective nature of the Defective Cranksets constitutes a material fact reasonable consumers would have considered in deciding whether to purchase a Defective Crankset or bicycle containing a Defective Crankset;
- g. Whether Defendants made affirmative misrepresentations of material fact about the Defective Cranksets;
- h. Whether Defendants had a duty to disclose the defective nature of the Defective Cranksets to Plaintiffs and the other Class Members;
- i. Whether Defendants omitted and failed to disclose material facts about the Defective Cranksets;
- j. Whether Defendants failed to appropriately warn Class members of the damages that could result from use of the Class Bicycles and Defective Cranksets;
- k. Whether Defendants' concealment of the true nature of the Defective Cranksets induced Plaintiffs and the other Class Members to act to their detriment by purchasing the Defective Cranksets or bicycles containing the Defective Cranksets;
- l. Whether Defendants conduct tolls any or all applicable limitations periods by acts of fraudulent concealment, application of the discovery rule, or equitable estoppel;
- m. Whether Defendants misrepresented that the Defective Cranksets or bicycles containing the Defective Cranksets were safe, made of high-quality materials, and reliable;
- n. Whether Defendants engaged in unfair, deceptive, and unlawful acts or practices in trade or commerce by failing to disclose that the Defective Cranksets were defective;
- o. Whether Defendants' conduct, as alleged herein, was likely to mislead a reasonable consumer;
- p. Whether Defendants' statements, concealments, and omissions regarding the Defective Cranksets were material, in that a reasonable consumer could consider them important in purchasing, selling, maintaining, or operating the Defective Cranksets or bicycles

containing the Defective Cranksets;

- q. Whether Defendants violated each of the States' consumer protection statutes, and if so, what remedies are available under those statutes;
- r. Whether the Defective Cranksets were unfit for the ordinary purposes for which they were used, in violation of the implied warranty of merchantability;
- s. Whether Class Members suffered an ascertainable loss of money or property, or other value as a result of Defendants' acts, and misrepresentations and omissions of material facts;
- t. Whether Plaintiffs and the other Class Members are entitled to a declaratory judgment stating that the Defective Cranksets are defective and/or not merchantable;
- u. Whether Defendants' unlawful, unfair, and/or deceptive practices harmed Plaintiffs and the other Class Members;
- v. Whether Defendants have been unjustly enriched by their conduct;
- w. Whether Class Members are entitled to equitable or injunctive relief and, if so, the nature of such relief; and
- x. What aggregate amounts of statutory penalties are sufficient to punish and deter Defendants and to vindicate statutory and public policy.

148. **Typicality.** Plaintiffs' claims are typical of those of the absent Class Members in that Plaintiffs and the Class Members each purchased and used the Class Bicycles and Defective Cranksets and each sustained damages arising from Defendants' wrongful conduct, as alleged more fully herein. Plaintiffs share the aforementioned facts and legal claims or questions with putative members of the Classes. Plaintiffs and all members of the putative Classes have been similarly affected by Defendants' common course of conduct alleged herein. Plaintiff and all members of the putative Classes sustained monetary and economic injuries including, but not limited to, ascertainable loss arising out of Defendants' actions, and misrepresentations and omissions regarding the Class Bicycles and Defective Cranksets.

149. **Adequacy.** Plaintiffs will fairly and adequately protect the interests of the Classes. By prevailing on their own claims, Plaintiffs will establish Defendants' liability to all Class Members. Plaintiffs' counsel are unaware of any conflicts of

1 interest between Plaintiffs as class representatives and absent Class Members with
2 respect to the matters at issue in this litigation; Plaintiffs will vigorously prosecute
3 the suit on behalf of the Classes. Plaintiffs have retained counsel with substantial
4 experience in handling complex class action litigation, including complex questions
5 that arise in this type of consumer protection litigation. Further, Plaintiffs and their
6 counsel are committed to the vigorous prosecution of this action.

7 **150. Insufficiency of Separate Actions.** Absent a class action, Plaintiff and
8 members of the Classes will continue to suffer the harm described herein, for which
9 they would have no remedy. Even if individual consumers could bring separate
10 actions, the resulting multiplicity of lawsuits would cause undue burden and expense
11 for both the Court and the litigants, as well as create a risk of inconsistent rulings
12 and adjudications that might be dispositive of the interests of similarly situated
13 consumers, substantially impeding their ability to protect their interests, while
14 establishing incompatible standards of conduct for Defendants.

15 **151. Injunctive Relief.** Defendants have acted or refused to act on grounds
16 generally applicable to Plaintiffs and all Class Members, thereby making appropriate
17 final injunctive relief, as described below, concerning the Class Members as a whole.

18 **152. Superiority.** A class action is superior to any other available methods
19 for the fair and efficient adjudication of the present controversy for at least the
20 following reasons:

- 21 a. The damages suffered by each individual member of the putative
22 Classes do not justify the burden and expense of individual prosecution
23 of the complex and extensive litigation necessitated by Defendants'
24 conduct;
- 25 b. Even if individual members of the Classes had the resources to pursue
26 individual litigation, it would be unduly burdensome to the courts in
27 which the individual litigation would proceed;
- 28 c. The claims presented in this case predominate over any questions of
 law or fact affecting individual members of the Classes;

1 d. Individual joinder of all members of the Classes is impracticable;

2 e. Absent a class action, Plaintiffs and members of the putative Classes
3 will continue to suffer harm as a result of Defendants' unlawful
4 conduct; and

5 f. This action presents no difficulty that would impede its management by
6 the Court as a class action, which is the best available means by which
7 Plaintiff and members of the putative Classes can seek redress for the
8 harm caused by Defendants.

9 153. In the alternative, the Classes may be certified for the following
10 reasons:

11 a. The prosecution of separate actions by individual members of the
12 Classes would create a risk of inconsistent or varying adjudication
13 concerning individual members of the Classes, which would establish
14 incompatible standards of conduct for Defendants;

15 b. Adjudications of claims of the individual members of the Classes
16 against Defendants would, as a practical matter, be dispositive of the
17 interests of other members of the putative Classes who are not parties
18 to the adjudication and may substantially impair or impede the ability
19 of other putative Class Members to protect their interests; and

20 c. Defendants have acted or refused to act on grounds generally applicable
21 to the members of the putative Classes, thereby making appropriate
22 final and injunctive relief concerning the putative Classes as a whole.

23 154. The Classes expressly disclaim any recovery in this action for physical
24 injury resulting from the Defective Cranksets without waiving or dismissing such
25 claims. Injuries suffered in bicycle crashes as a result of Defective Cranksets
26 constitute evidence supporting various claims, including diminution of value, and
27 are continuing to occur because of Shimano's delays and inaction regarding the
28 commencement and completion of a meaningful recall. The increased risk of injury
from the Defective Cranksets serves as an independent justification for the relief
sought by Plaintiffs and the other Class Members.

INADEQUACY OF LEGAL REMEDIES

155. In the alternative to those claims seeking remedies at law, Plaintiffs and the other Class Members allege that no plain, adequate, and complete remedy exists at law to address Defendants’ unlawful and unfair business practices. The legal remedies available to Plaintiff are inadequate because they are not “equally prompt and certain and in other ways efficient” as equitable relief. *Am. Life Ins. Co. v. Stewart*, 300 U.S. 203, 214 (1937); *see also United States v. Bluit*, 815 F. Supp. 1314, 1317 (N.D. Cal. Oct. 6, 1992) (“‘The mere existence’ of a possible legal remedy is not sufficient to warrant denial of equitable relief.”); *Quist v. Empire Water Co.*, 2014 Cal. 646, 643 (1928) (“The mere fact that there may be a remedy at law does not oust the jurisdiction of a court of equity. To have this effect, the remedy must also be speedy, adequate, and efficacious to the end in view ... It must reach the whole mischief and secure the whole right of the party in a perfect manner at the present time and not in the future.”).

156. Additionally, unlike damages, the Court’s discretion in fashioning equitable relief is very broad and can be awarded when the entitlement to damages may prove difficult. *Cortez v. Purolator Air Filtration Prods. Co.*, 23 Cal.4th 163, 177-80 (2000) (restitution under the UCL can be awarded “even absent individualized proof that the claimant lacked knowledge of the overcharge when the transaction occurred.”).

157. Thus, restitution would allow recovery even when normal consideration associated with damages would not. *See, e.g., Fladeboe v. Am. Isuzu Motors Inc.*, 150 Cal. App. 4th 42, 68 (2007) (noting that restitution is available even when damages are unavailable). Furthermore, the standard and necessary elements for a violation of the UCL “unfair” prong and for quasi-contract/unjust enrichment are different from the standard that governs a legal claim. Additionally, Plaintiffs seek injunctive relief that may not be available as legal damages.

1 158. Moreover, Plaintiffs are unable to assess whether the cranksets
2 Defendants sell or will sell are similarly defective (*i.e.*, the Crankset Defect) because
3 Plaintiffs do not possess the specialized knowledge or equipment required to identify
4 and analyze the defect. Plaintiffs would purchase Defendants' products in the future
5 if they believed Defendants' representations were accurate.

6 **CLAIMS ASSERTED ON BEHALF OF THE NATIONWIDE CLASS**

7 **A. COUNT I: FRAUD**

8 159. Plaintiffs reallege and incorporate by reference each of the allegations in
9 Paragraphs 1-158, above, as though fully set forth herein.

10 160. Plaintiffs bring this fraud count, under both the misrepresentation and
11 omission/concealment theories, under California law, individually and on behalf of
12 the Nationwide Class against all Defendants.

13 161. Alternatively, Plaintiffs bring this claim on behalf of themselves and the
14 Nationwide Class under the common law of fraud, both by misrepresentation and
15 omission/concealment, as there are no true conflicts among the states' laws of
16 fraudulent concealment.

17 162. For purposes of this count, members of the Nationwide Class shall be
18 referred to as "Class Members."

19 163. For purposes of this count, Shimano and the Bicycle Manufacturer
20 Defendants are collectively referred to as "Defendants."

21 **1. Affirmative Misrepresentation**

22 164. Defendants represented and marketed the Class Bicycles and Defective
23 Cranksets as strong, of high-quality, durable, dependable, and reliable. These
24 representations signal to consumers that the Defective Cranksets are "safe" for
25 ordinary use.

26 165. The strength, quality, durability, dependability and reliability of the
27 Defective Cranksets and the Class Bicycles in which the Defective Cranksets were
28

1 installed were material facts because a reasonable person would find it important in
2 purchasing or retaining a new or used bicycle and because it directly impacts the value
3 of the Class Bicycles and Defective Cranksets purchased by Plaintiffs and the other
4 Class Members.

5 166. Defendants’ representations regarding the Defective Cranksets and Class
6 Bicycles’ strength, quality, durability, dependability and reliability—again, all terms
7 that signal “safety” to consumers and the bicycling community—were false because
8 the Class Bicycles and Defective Cranksets contain the Crankset Defect that causes
9 the cranksets to break during normal use. In doing so, the presence of the Crankset
10 Defect makes the Defective Cranksets and Class Bicycles unsafe for normal use.

11 167. Defendants knew that their representations were false and intended
12 Plaintiffs and the other Class Members to rely on them, which they did by purchasing
13 the Class Bicycles and Defective Cranksets at the prices they paid believing that they
14 would not have a Crankset Defect that would affect the quality, reliability, durability,
15 strength and safety of the Class Bicycles and Defective Cranksets.

16 168. Plaintiffs’ and Class Members’ reliance was reasonable because a
17 reasonable consumer would not have expected that the Class Bicycles and Defective
18 Cranksets contained a safety defect that poses such a serious risk. They had no way
19 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and
20 the other Class Members did not, and could not, unravel Defendants’ deception on
21 their own.

22 169. Had Plaintiffs and the other Class Members known of the Crankset
23 Defect within the Class Bicycles or Defective Cranksets, they would not have
24 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

25 170. As a direct and proximate result of Defendants’ omissions and
26 concealment, Plaintiffs and other Class Members either overpaid for the Class
27 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or
28

1 Defective Cranksets at all if the Crankset Defect had been disclosed to them.
2 Accordingly, Defendants are liable to Plaintiffs and the other Class Members for their
3 damages in an amount to be proven at trial.

4 171. Defendants acted maliciously, oppressively, deliberately, with intent to
5 defraud; in reckless disregard of the Plaintiffs' and Class Members' rights and well-
6 being; and to enrich themselves. Defendants' misconduct warrants an assessment of
7 punitive damages, as permitted by law, in an amount sufficient to deter such conduct
8 in the future, which amount shall be determined according to proof at trial.

9 **2. Omission/Concealment**

10 172. Defendants are liable for fraud by omission, concealment, and/or non-
11 disclosure. *See, e.g.*, Restatement (Second) of Torts §§ 550-51 (1977).

12 173. Defendants owed Plaintiffs and the other Class Members a duty to
13 disclose all the material facts concerning the Defective Cranksets in the Class
14 Bicycles and Defective Cranksets because:

- 15 a. Given the Defendants' role in the design, manufacture, pre-sale testing,
16 sale, and post-sale monitoring of the Class Bicycles and Defective
17 Cranksets, and their experience and knowledge as experts and long-time
18 veterans of the bicycle industry, they possessed exclusive access to and
19 were in a superior position to know the true facts about the Class
20 Bicycles and Defective Cranksets;
- 21 b. Given Shimano's design, development, testing and manufacture of the
22 Defective Cranksets and its experience and knowledge as an expert and
23 long-time veteran of the bicycle industry, it, along with the Bicycle
24 Manufacturer Defendants, possessed exclusive access to and was in a
25 superior position to know the true facts about the Defective Cranksets,
26 including their component parts, tolerances, design, adhesive properties,
27 and other information not known to Plaintiffs or Class Members;
- 28

- 1 c. Defendants knew that the Class Bicycles and Defective Cranksets gave
2 rise to serious safety concerns for the consumers who purchased the
3 Class Bicycles and Defective Cranksets;
- 4 d. Given the Crankset Defect's hidden, proprietary, and technical nature,
5 Plaintiffs and the other Class Members lacked the sophisticated
6 expertise in bicycle and crankset components and design and
7 technology necessary to discover that the Class Bicycles and Defective
8 Cranksets were defective;
- 9 e. Plaintiffs and the Class Members could not reasonably have been
10 expected to learn or discover that the Class Bicycles and Defective
11 Cranksets had a safety defect before purchase;
- 12 f. Defendants knew that Plaintiffs and the other Class Members could not
13 reasonably have been expected to learn or discover the defect and the
14 associated repair or replacement costs;
- 15 g. Defendants knew that the Class Bicycles and Defective Cranksets, and
16 the defect therein, gave rise to serious safety concerns for consumers
17 who purchased them;
- 18 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
19 in that, among other things, the Defective Cranksets can break during
20 normal use and riding, causing loss of balance and accidents that can lead
21 to severe and potentially fatal injuries;
- 22 i. Defendants knew about and investigated the Crankset Defect, but then
23 did not notify consumers about it, disclose the Crankset Defect to CPSC,
24 or further launch a comprehensive recall for all Class Bicycles and
25 Defective Cranksets, which individually and together deprived Plaintiffs
26 of an opportunity that otherwise could have led them to discover the truth
27
28

1 about the Crankset Defect in their Class Bicycles and Defective
2 Cranksets;

3 j. Defendants actively concealed the defect and the associated repair and
4 replacement costs by responding to negative reviews and inquiries
5 without disclosing the defect, asserting that the Class Bicycles and
6 Defective Cranksets were not defective, asserting that non-design factors
7 caused problems with the Defective Cranksets, and replacing defectively
8 designed Class Bicycles and Defective Cranksets with identical
9 defectively designed Class Bicycles and Defective Cranksets; and

10 k. Defendants made, helped to make, or conspired to make partial and
11 incomplete representations about strength, safety, quality, durability,
12 dependability and reliability of the Class Bicycles and Defective
13 Cranksets, while purposefully withholding material facts about a known
14 safety defect. Because they volunteered to provide information about the
15 Class Bicycles and Defective Cranksets that they marketed and offered
16 for sale to consumers, Defendants had the duty to disclose the whole
17 truth. In breach of their duties, Defendants failed to disclose the Crankset
18 Defect and that the Class Bicycles and Defective Cranksets were not
19 strong, safety, high-quality, durable, or free of defects to Plaintiffs and
20 the other Class Members in connection with the sale of the Class
21 Bicycles and Defective Cranksets.

22 174. The Crankset Defect within the Class Bicycles and Defective Cranksets
23 is material to the sale of the of the Class Bicycles and Defective Cranksets because a
24 reasonable person would find it important in purchasing or retaining a new or used
25 bicycle and because it directly impacts the value of the Class Bicycles and Defective
26 Cranksets purchased by Plaintiffs and the other Class Members.

1 175. Defendants intended for Plaintiffs and the other Class Members to rely
2 on their omissions and concealment—which they did by purchasing the Class
3 Bicycles and Defective Cranksets at the prices they paid believing that they would not
4 have a Crankset Defect that would affect the quality, reliability, durability, strength
5 and safety of the Class Bicycles and Defective Cranksets.

6 176. Plaintiffs’ and Class Members’ reliance was reasonable because a
7 reasonable consumer would not have expected that the Class Bicycles and Defective
8 Cranksets contained a safety defect that poses such a serious risk. They had no way
9 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and
10 the other Class Members did not, and could not, unravel Defendants’ deception on
11 their own.

12 177. Defendants actively concealed and suppressed these material facts, in
13 whole or in part, to maintain a market for the Class Bicycles and Defective Cranksets
14 installed in them, and the Defective Cranksets themselves, to protect profits, and to
15 avoid costly recalls that would expose them to liability for those expenses and harm
16 the commercial reputations of Defendants and their products. They did so at the
17 expense of Plaintiffs and the other Class Members.

18 178. If Defendants had fully and adequately disclosed the Crankset Defect to
19 consumers, Plaintiffs and the other Class Members would have seen such a disclosure.

20 179. Through their omissions and concealment with respect to the Crankset
21 Defect within the Class Bicycles and Defective Cranksets, Defendants intended to
22 induce, and did induce, Plaintiffs and the other Class Members to either purchase a
23 Class Bicycle or a Defective Crankset that they otherwise would not have purchased,
24 or pay more for than they otherwise would have paid for a Class Bicycle or Defective
25 Crankset.

1 180. Had Plaintiffs and the other Class Members known of the Crankset
2 Defect within the Class Bicycles or Defective Cranksets, they would not have
3 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

4 181. As a direct and proximate result of Defendants' omissions and
5 concealment, Plaintiffs and other Class Members either overpaid for the Class
6 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or
7 Defective Cranksets at all if the Crankset Defect had been disclosed to them.
8 Accordingly, Defendants are liable to Plaintiffs and the other Class Members for their
9 damages in an amount to be proven at trial.

10 182. Defendants acted maliciously, oppressively, deliberately, with intent to
11 defraud; in reckless disregard of the Plaintiffs' and Class Members' rights and well-
12 being; and to enrich themselves. Defendants' misconduct warrants an assessment of
13 punitive damages, as permitted by law, in an amount sufficient to deter such conduct
14 in the future, which amount shall be determined according to proof at trial.

15 **B. COUNT II: UNJUST ENRICHMENT**

16 183. Plaintiffs reallege and incorporate by reference each of the allegations in
17 Paragraphs 1-158, above, as though fully set forth herein.

18 184. Plaintiffs bring this count under California law, individually and on
19 behalf of the other members of the Nationwide Class against all Defendants.

20 185. Alternatively, Plaintiffs bring this claim on behalf of themselves and the
21 Nationwide Class under the common law of unjust enrichment, as there are no true
22 conflicts among the states' laws of unjust enrichment.

23 186. For purposes of this count, members of the Nationwide Class shall be
24 referred to as "Class Members."

25 187. When they purchased the Class Bicycles or Defective Cranksets,
26 Plaintiffs and the other Class Members conferred a tangible and material economic
27 benefits on Defendants. Defendants readily accepted and retained the benefits.
28

1 188. Plaintiffs and Class Members would not have purchased the Defective
2 Cranksets or Class Bicycles, or would have paid less for them, had they known of the
3 Crankset Defect at the time of purchase. Therefore, Defendants profited from the sale
4 of the Defective Cranksets and Class Bicycles to the detriment and expense of
5 Plaintiffs and the other Class Members.

6 189. Defendants knew or should have known that the payments rendered by
7 Plaintiffs and the other Class Members were given with the expectation that the Class
8 Bicycles and Defective Cranksets would have the qualities, characteristics, and
9 suitability for use represented and warranted by Defendants. Defendants appreciated
10 the economic benefits. The benefits were the expected result of Defendants acting in
11 their own pecuniary interest at the expense of Plaintiffs and the other Class Members.
12 Defendants knew of the benefits they were receiving because they were aware of the
13 Crankset Defect in the Class Bicycles and Defective Cranksets, yet they failed to
14 disclose this knowledge and misled Plaintiffs and the other Class Members regarding
15 the nature and quality of the Class Bicycles and Defective Cranksets while profiting
16 from their deception. As such, it would be unjust, inequitable and unconscionable for
17 Defendants to retain the benefit of the payments under these circumstances.

18 190. By their wrongful acts and omissions described herein, including selling
19 the Class Bicycles and Defective Cranksets which contain the Crankset Defect,
20 Defendants were unjustly enriched at the expense of Plaintiffs and the other Class
21 Members.

22 191. Plaintiffs' and Class Members' detriment and Defendants' enrichment
23 were related to and flowed from the wrongful conduct challenged in this Complaint.

24 192. Defendants have profited from their unlawful, unfair, misleading, and
25 deceptive practices at the expense of Plaintiffs and the other Class Members. It would
26 be unjust, inequitable, and unconscionable for Defendants to retain the profits,
27
28

benefits, and other compensation obtained from their wrongful conduct alleged herein.

193. Defendants have been unjustly enriched in retaining the revenues derived from Plaintiffs' and Class Members' purchases of Class Bicycles and Defective Cranksets, which retention of such revenues under these circumstances is unjust and inequitable because Defendants manufactured the Class Bicycles and Defective Cranksets, and Defendants affirmatively misrepresented and omitted and/or concealed the nature of the Class Bicycles and Defective Cranksets, and knowingly marketed and promoted dangerous and Class Bicycles and Defective Cranksets, which injured Plaintiffs and the other Class Members because they would not have purchased the Class Bicycles and Defective Cranksets based on the exact representations if the true facts concerning the Class Bicycles and Defective Cranksets had been known.

194. Plaintiffs and putative Class Members are entitled to restitution and to recover from Defendants all amounts wrongfully collected and improperly retained by Defendants in the amount necessary to return Plaintiffs and the other Class Members to the position they occupied prior to dealing with Defendants, with such amounts to be determined at trial.

195. As a direct and proximate result of Defendants' wrongful conduct and unjust enrichment, Plaintiffs and putative Class Members are entitled to restitution of, disgorgement of, and/or imposition of a constructive trust upon all profits, benefits, and other compensation obtained by Defendants for their inequitable and unlawful conduct.

196. Plaintiffs plead this claim separately as well as in the alternative to claims for damages under Fed. R. Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs' claims for damages or enters judgment on them in favor of the Defendants, Plaintiffs will have no adequate legal remedy.

C. COUNT III: VIOLATIONS OF CALIFORNIA’S CONSUMER LEGAL REMEDIES ACT (CAL. CIV. CODE §§ 1750, *ET SEQ.*)

(Against Shimano, Specialized and Giant Defendants)

197. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-158, above, as though fully set forth herein.

198. Plaintiffs bring this count, individually and on behalf of the other members of the Nationwide Class against Shimano, Specialized and Giant Defendants for their respective Class Bicycles and Defective Cranksets.

199. For purposes of this count, members of the Nationwide Class shall be referred to as “Class Members.”

200. For purposes of this count, Shimano, Specialized and Giant shall be referred to as “Defendants.”

201. Defendants are “persons” under Cal. Civ. Code §1761(c).

202. Plaintiffs and the other Class Members are “consumers” under Cal. Civ. Code §1761(d) because they purchased the Defective Cranksets and/or Class Bicycles primarily for personal, family, or household use.

203. The purchase of the Defective Cranksets and/or Class Bicycles by Plaintiffs and the other Class Members constitute “transactions” within the meaning of Cal. Civ. Code § 1761(e).

204. The Defective Cranksets and the Class Bicycles are “goods” under Cal. Civ. Code § 1761(a).

205. The California Consumer Legal Remedies Act (“CLRA”) prohibits deceptive practices concerning the conduct of a business that provides goods, property, or services primarily for personal, family, or household purposes.

206. Defendants, directly and through their agents, employees, and/or subsidiaries, violated the CLRA by knowingly and intentionally misrepresenting, omitting, concealing, and/or failing to disclose material facts regarding the reliability,

1 safety, and performance of the Class Bicycles and Defective Cranksets, as detailed
2 above.

3 207. Defendants' violations of the CLRA occurred repeatedly in their trade or
4 practice—including the design, manufacture, distribution, marketing, and sale the
5 Class Bicycles and Defective Cranksets.

6 208. Defendants had an ongoing duty to Plaintiffs and the other Class
7 Members to refrain from unfair or deceptive practices under the CLRA in the course
8 of their business. Specifically, Defendants owed Plaintiffs and the other Class
9 Members a duty to disclose all the material facts concerning the Defective Cranksets
10 and the Defective Cranksets in the Class Bicycles because:

- 11 a. Given the Defendants' role in the design, manufacture, testing, and sale
12 of the Class Bicycles and Defective Cranksets, and their experience and
13 knowledge as experts and long-time veterans of the bicycle industry,
14 they possessed exclusive access to and were in a superior position to
15 know the true facts about the Class Bicycles and Defective Cranksets;
- 16 b. Given Shimano's design, development, testing and manufacture of the
17 Defective Cranksets and its experience and knowledge as an expert and
18 long-time veteran of the bicycle industry, it, along with the Bicycle
19 Manufacturer Defendants, possessed exclusive access to and was in a
20 superior position to know the true facts about the Defective Cranksets;
- 21 c. Defendants knew that the Class Bicycles and Defective Cranksets gave
22 rise to serious safety concerns for the consumers who purchased the
23 Class Bicycles and Defective Cranksets;
- 24 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and
25 the other Class Members lacked the sophisticated expertise in bicycle
26 and crankset components and design and technology necessary to
27 discover that the Class Bicycles and Defective Cranksets were defective;
28

- 1 e. Plaintiffs and the Class Members could not reasonably have been
2 expected to learn or discover that the Class Bicycles and Defective
3 Cranksets had a safety defect before purchase;
- 4 f. Defendants knew that Plaintiffs and the other Class Members could not
5 reasonably have been expected to learn or discover the defect and the
6 associated repair or replacement costs;
- 7 g. Defendants knew that the Class Bicycles and Defective Cranksets, and
8 the defect therein, gave rise to serious safety concerns for consumers
9 who purchased them;
- 10 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
11 in that, among other things, the Defective Cranksets can break during
12 normal use and riding, causing loss of balance and accidents that can lead
13 to severe and potentially fatal injuries;
- 14 i. Defendants knew about and investigated the Crankset Defect, but then
15 did not notify consumers about it, disclose the Crankset Defect to CPSC,
16 or further launch a comprehensive recall for all Class Bicycles and
17 Defective Cranksets, which individually and together deprived Plaintiffs
18 of an opportunity that otherwise could have led them to discover the truth
19 about the Crankset Defect in their Class Bicycles and Defective
20 Cranksets;
- 21 j. Defendants actively concealed the defect and the associated repair and
22 replacement costs by responding to negative reviews and inquiries
23 without disclosing the defect, asserting that the Class Bicycles and
24 Defective Cranksets were not defective, asserting that non-design factors
25 caused problems with the Defective Cranksets, and replacing defectively
26 designed Class Bicycles and Defective Cranksets with identical
27 defectively designed Class Bicycles and Defective Cranksets; and
28

1 k. Defendants made, helped to make, or conspired to make partial and
2 incomplete representations about strength, safety, quality, durability,
3 dependability and reliability of the Class Bicycles and Defective
4 Cranksets, while purposefully withholding material facts about a known
5 safety defect. Because they volunteered to provide information about the
6 Class Bicycles and Defective Cranksets that they marketed and offered
7 for sale to consumers, Defendants had the duty to disclose the whole
8 truth.

9 209. By misrepresenting the Class Bicycles and Defective Cranksets as
10 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free
11 from defects, and/or by failing to disclose and actively concealing the dangers and
12 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in
13 one or more of the following unfair or deceptive business practices as defined in Cal.
14 Civ. Code § 1770(a):

- 15 a. Representing that the Class Bicycles and Defective Cranksets had a
16 characteristic that they did not actually have—i.e., that they were strong,
17 high-quality, safe, dependable, durable, reliable, properly-functioning
18 and free from defects suitable for normal use, when, in fact, they were
19 not because the Class Bicycles and Defective Cranksets were defectively
20 designed such that they had an unreasonably dangerous propensity to
21 break, causing accidents and injuries;
- 22 b. Representing that the Class Bicycles and the Defective Cranksets were
23 of a particular quality, grade, or standard when, in fact, they were not of
24 that quality, grade, or standard;
- 25 c. Concealing and failing to disclose that the Class Bicycles and Defective
26 Cranksets were inherently defective, defectively designed, and not
27
28

1 suitable for their intended use despite advertising them as safe and
2 suitable for their intended function; and

- 3 d. Failing to market, distribute, and sell the Class Bicycles and Defective
4 Cranksets in accordance with Defendants' previous representations—
5 i.e., that the Class Bicycles and Defective Cranksets s were strong, high-
6 quality, safe, dependable, durable, reliable and suitable for their intended
7 use, when, in fact, they were not because of the Crankset Defect.

8 Cal. Civ. Code §§ 1770(a)(5), (7), (9), and (16).

9 210. Defendants' unfair or deceptive acts or practices, including their
10 misrepresentations, concealments, omissions, and/or suppressions of material facts,
11 were designed to mislead and had a tendency or capacity to mislead and create a false
12 impression in consumers that the Class Bicycles and Defective Cranksets were strong,
13 safe, dependable, durable and reliable, and had properly-functioning cranksets that
14 would properly function and be reliable. Defendants' misrepresentations,
15 concealments, omissions, and suppressions of material facts did, in fact, deceive
16 reasonable consumers, including Plaintiffs and the other Class Members, about the
17 true safety, strength, dependability, durability, and reliability of the Class Bicycles
18 and Defective Cranksets.

19 211. Defendants intended for Plaintiffs and the other Class Members to rely
20 on their misrepresentations, omissions, and concealment – which they did by
21 purchasing the Defective Cranksets and Class Bicycles at the prices they paid
22 believing that their Defective Cranksets and Class Bicycles would not have a Crankset
23 Defect that would affect the strength, quality, durability, dependability, reliability,
24 and safety of the Class Bicycles and the Defective Cranksets.

25 212. Defendants' misrepresentations, concealments, omissions, and
26 suppressions of material facts regarding the Crankset Defect and true characteristics
27 of the Defective Cranksets and Class Bicycles were material to the decisions of
28

1 Plaintiffs and the other Class Members to purchase those cranksets and bicycles, as
2 Defendants intended. Plaintiffs and the other Class Members were exposed to those
3 misrepresentations, concealments, omissions, and suppressions of material facts, and
4 relied on Defendants' misrepresentations that the Class Bicycles and their Defective
5 Cranksets were safe and reliable in deciding to purchase the Class Bicycles and
6 Defective Cranksets.

7 213. Plaintiffs' and Class Members' reliance was reasonable, as they had no
8 way of discerning that Defendants' representations were false and misleading, or
9 otherwise learning the facts that Defendants had concealed or failed to disclose.
10 Plaintiffs and the other Class Members did not, and could not, unravel Defendants'
11 deception on their own.

12 214. A reasonable consumer would have considered them important in
13 deciding whether to purchase Defendants' Class Bicycles and Defective Cranksets or
14 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and
15 the Class members would not have purchased the Defective Cranksets and/or Class
16 Bicycles, or would have paid significantly less for them.

17 215. Defendants could have and should have prominently disclosed the defect
18 on the product listings on its website, on product packaging, and to third-party
19 retailers. Had Defendants disclosed the Crankset Defect in this manner, Plaintiffs,
20 Class Members and reasonable consumers would have been aware of it.

21 216. Defendants profited from selling the falsely, deceptively, and unlawfully
22 advertised Class Bicycles and Defective Cranksets to unwary purchasers.

23 217. As a direct and proximate result of Defendants' deceptive practices,
24 Plaintiffs and the other Class Members have sustained economic injury and loss –
25 either by purchasing a crankset or bicycle they otherwise would not have purchased
26 or paying more than they otherwise would have as a result of Defendants' actions and
27
28

omissions alleged above – that first occurred at the time each Defective Crankset and/or Class Bicycle was purchased.

218. Defendants’ violations present a continuing risk to Plaintiffs and the other Class Members, as well as to the general public, because the Class Bicycles and Defective Cranksets remain unsafe due to the Crankset Defect therein. Defendants’ unlawful acts and practices complained of herein affect the public interest.

219. Plaintiffs and the other Class Members timely provided Defendants notice of the issues raised in this count and this Complaint and an opportunity to cure, as alleged in the paragraphs addressing Defendants’ notice, above. Because Defendants failed to adequately remedy their unlawful conduct, Plaintiffs seeks all damages and relief to which Plaintiffs and the other Class Members are entitled.

220. Alternatively, Plaintiffs and the other Class Members were excused from providing Defendants with notice and an opportunity to cure the breach, because it would have been futile. As alleged above, Defendants knew about the Crankset Defect for years. Moreover, although Shimano issued a recall, that recall is inadequate because, inter alia: (a) it is belated because Defendants knew about the Defective Cranksets, including Defective Cranksets included in Class Bicycles, for years and did nothing to recall or remedy the serious safety defect; (b) with hundreds of thousands of Class Bicycles and Defective Cranksets impacted in existing and potential future recalls, as a result of Defendants’ misrepresentations about and omission/concealment of the Crankset Defect, the recalls cannot be implemented effectively due to supply constraints and resulting delays; and (c) the recalls are incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

221. Defendants’ violations present a continuing risk to Plaintiffs and the other Class Members, as well as to the general public, because the Class Bicycles and Defective Cranksets remain unsafe due to the defect therein. Defendants’ unlawful acts and practices complained of herein affect the public interest.

1 222. Plaintiffs currently seek injunctive relief, reasonable attorney fees and
2 costs, and any other relief that the Court deems proper, and do not yet seek money
3 damages under this count. In accordance with section 1782(a) of the CLRA,
4 Plaintiffs' counsel provided notice, on behalf of Plaintiffs and the other Class
5 Members, as alleged above.

6 223. As Defendants failed to correct or agree to correct their actions,
7 Plaintiff may pursue the compensatory and monetary damages to which Plaintiff and
8 other Class Members are entitled.

9 224. Pursuant to California Civil Code § 1780, Plaintiff seeks compensatory
10 damages, injunctive relief, reasonable attorney fees and costs, and any other relief
11 the Court deems proper, including punitive damages.

12 **D. COUNT IV: FALSE ADVERTISING UNDER THE CALIFORNIA**
13 **FALSE ADVERTISING LAW (CAL. BUS. & PROF. CODE §§ 17500,**
14 **ET SEQ.)**

15 (Against Shimano, Specialized and Giant Defendants)

16 225. Plaintiffs reallege and incorporate by reference each of the allegations in
17 Paragraphs 1-158, above, as though fully set forth herein.

18 226. Plaintiffs bring this count, individually and on behalf of the other
19 members of the Nationwide Class against Shimano, Specialized and Giant Defendants
20 for their respective Class Bicycles and Defective Cranksets.

21 227. For purposes of this count, members of the Nationwide Class shall be
22 referred to as "Class Members."

23 228. For purposes of this count, Shimano, Specialized and Giant shall be
24 referred to as "Defendants."

25 229. Plaintiff, Class Members and Defendants are "persons" within the
26 meaning of Cal. Bus. & Prof. Code § 17506.

230. The California False Advertising Law (“FAL”) states: “It is unlawful for any . . . corporation . . . with intent directly or indirectly to dispose of real or personal property . . . to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated . . . from this state before the public in any state, in any newspaper or other publication, or any advertising device, . . . or in any other manner or means whatever, including over the Internet, any statement . . . which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading.” Cal. Bus. & Prof. Code § 17500.

231. Defendants, directly and through their agents, employees, and/or subsidiaries, violated the FAL by knowingly and intentionally misrepresenting, omitting, concealing, and/or failing to disclose material facts regarding the strength, reliability, durability of the Class Bicycles and Defective Cranksets, as detailed above. Defendants’ actionable conduct includes misrepresentations, omissions, concealment, and failure to disclose the known separation, delamination, and failure defect of the Class Bicycles and Defective Cranksets.

232. The FAL imposes an ongoing duty on Defendants to refrain from unfair and deceptive business practices, which includes disclosing all material facts, such as latent dangerous defects, of the Class Bicycles and Defective Cranksets to consumers because:

- a. Given the Defendants’ role in the design, manufacture, testing, and sale of the Class Bicycles and Defective Cranksets, and their experience and knowledge as experts and long-time veterans of the bicycle industry, they possessed exclusive access to and were in a superior position to know the true facts about the Class Bicycles and Defective Cranksets;
- b. Given Shimano’s design, development, testing and manufacture of the Defective Cranksets and its experience and knowledge as an expert and

1 long-time veteran of the bicycle industry, it, along with the Bicycle
2 Manufacturer Defendants, possessed exclusive access to and was in a
3 superior position to know the true facts about the Defective Cranksets;

4 c. Defendants knew that the Class Bicycles and Defective Cranksets gave
5 rise to serious safety concerns for the consumers who purchased the
6 Class Bicycles and Defective Cranksets;

7 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and
8 the other Class Members lacked the sophisticated expertise in bicycle
9 and crankset components and design and technology necessary to
10 discover that the Class Bicycles and Defective Cranksets were defective;

11 e. Plaintiffs and the Class Members could not reasonably have been
12 expected to learn or discover that the Class Bicycles and Defective
13 Cranksets had a safety defect before purchase;

14 f. Defendants knew that Plaintiffs and the other Class Members could not
15 reasonably have been expected to learn or discover the defect and the
16 associated repair or replacement costs;

17 g. Defendants knew that the Class Bicycles and Defective Cranksets, and
18 the defect therein, gave rise to serious safety concerns for consumers
19 who purchased them;

20 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
21 in that, among other things, the Defective Cranksets can break during
22 normal use and riding, causing loss of balance and accidents that can lead
23 to severe and potentially fatal injuries;

24 i. Defendants knew about and investigated the Crankset Defect, but then
25 did not notify consumers about it, disclose the Crankset Defect to CPSC,
26 or further launch a comprehensive recall for all Class Bicycles and
27 Defective Cranksets, which individually and together deprived Plaintiffs
28

1 of an opportunity that otherwise could have led them to discover the truth
2 about the Crankset Defect in their Class Bicycles and Defective
3 Cranksets;

4 j. Defendants actively concealed the defect and the associated repair and
5 replacement costs by responding to negative reviews and inquiries
6 without disclosing the defect, asserting that the Class Bicycles and
7 Defective Cranksets were not defective, asserting that non-design factors
8 caused problems with the Defective Cranksets, and replacing defectively
9 designed Class Bicycles and Defective Cranksets with identical
10 defectively designed Class Bicycles and Defective Cranksets; and

11 k. Defendants made, helped to make, or conspired to make partial and
12 incomplete representations about strength, safety, quality, durability,
13 dependability and reliability of the Class Bicycles and Defective
14 Cranksets, while purposefully withholding material facts about a known
15 safety defect. Because they volunteered to provide information about the
16 Class Bicycles and Defective Cranksets that they marketed and offered
17 for sale to consumers, Defendants had the duty to disclose the whole
18 truth.

19 233. By misrepresenting the Class Bicycles and Defective Cranksets as
20 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free
21 from defects, and/or by failing to disclose and actively concealing the dangers and
22 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in
23 untrue and misleading advertising prohibited by California Bus. & Prof. Code §
24 17500.

25 234. Defendants made or caused to be made and disseminated from
26 California, nationwide advertising, marketing, labeling, and other publications
27 containing numerous statements that were untrue or misleading, and which were
28

1 known, or which by the exercise of reasonable care they should have been known to
2 be untrue and misleading to consumers, including Plaintiffs and the other Class
3 Members.

4 235. Defendants' unfair or deceptive acts and practices, including their
5 misrepresentations, concealments, omissions, and suppressions of material facts, were
6 designed to mislead and had a tendency or capacity to mislead and create a false
7 impression in consumers that the Class Bicycles and Defective Cranksets were safe,
8 secure, and reliable, and that they did not contain a defect. Indeed, those
9 misrepresentations, concealments, omissions, and suppressions of material facts did
10 in fact deceive reasonable consumers, including Plaintiff and Class Members, about
11 the true safety and reliability of the Class Bicycles and Defective Cranksets, the
12 quality of the Class Bicycles and Defective Cranksets, and the true value of the Class
13 Bicycles and Defective Cranksets.

14 236. Defendants intended for Plaintiffs and the other Class Members to rely
15 on their misrepresentations, omissions, and concealment—which they did by
16 purchasing Class Bicycles and Defective Cranksets at the prices they paid believing
17 that the Class Bicycles and Defective Cranksets would not have a defect that would
18 affect their quality, reliability, and safety.

19 237. Defendants' misrepresentations, omissions, and concealment of
20 materials regarding the defect in the Class Bicycles and Defective Cranksets, and true
21 characteristics thereof, were material to the decisions of Plaintiffs and the other Class
22 Members to purchase the Class Bicycles and Defective Cranksets, as Defendants
23 intended. Plaintiffs and the other Class Members were exposed to those
24 misrepresentations, concealments, omissions, and suppressions of material facts, and
25 relied on the Defendants' misrepresentations and omissions that the Class Bicycles
26 and Defective Cranksets were safe, secure, and reliable in deciding to purchase and
27 Class Bicycles and Defective Cranksets.

1 238. Absent Defendants' disclosure of material facts, Plaintiffs and the other
2 Class Members cannot discover the defect because it requires complex defective
3 Crankset manufacturing knowledge and access to documents in the exclusive
4 possession of the Defendants.

5 239. The fact that the Class Bicycles and Defective Cranksets may separate,
6 delaminate, or fail is a material fact that requires disclosure under the FAL.

7 240. Defendants did not disclose the defect to consumers until almost a
8 decade after discovering it, in their recall on September 21, 2023.

9 241. Plaintiffs and the other Class Members reasonably relied on Defendants'
10 concealment of misrepresentations, omissions, and concealment of material facts
11 regarding the reliability, durability, and strength of the Class Bicycles and defective
12 Crankset by purchasing them and believing they would be safe to use.

13 242. Plaintiffs' and Class Members' reliance on Defendants'
14 misrepresentations, omissions and concealment was reasonable because they did not
15 and could not know of the defect because they do not possess the necessary complex
16 skill and knowledge required to identify it, and Defendants misrepresented, concealed
17 and failed to disclose material facts that would have made discovery of the defect
18 possible to ordinary consumers.

19 243. Had Plaintiffs and the other Class Members known the truth about the
20 defective nature of the Class Bicycles and Defective Cranksets, they would not have
21 purchased them or would have paid significantly paid less for them.

22 244. Defendants' violations present a continuing risk to Plaintiffs and the
23 other Class Members, as well as to the general public, because the Class Bicycles and
24 Defective Cranksets remain unsafe due to the defect. The unlawful acts and practices
25 complained of, herein, affect the public interest.

26 245. Plaintiffs and the other Class Members will likely continue to be
27 damaged by Defendants' deceptive trade practices because Defendants continue
28

1 disseminating misleading information on the Class Bicycles and Defective Cranksets’
2 packaging and online retail listings. Thus, injunctive relief enjoining Defendants’
3 deceptive practices is proper.

4 246. Defendants’ conduct caused and continues to cause substantial injury to
5 Plaintiffs and the other Class Members. Plaintiffs have suffered injury in fact as a
6 result of Defendants’ unlawful conduct.

7 247. Plaintiffs and the other Class Members seek an order enjoining the
8 Defendants’ false advertising, any such orders or judgments as may be necessary to
9 restore to Plaintiffs and the other Class Members any money acquired by unfair
10 competition, including restitution and/or restitutionary disgorgement, and any other
11 just and proper relief available under the false advertising provisions of the California
12 FAL.

13 248. Plaintiffs plead this claim separately, see “Inadequacy of Legal
14 Remedies,” supra, as well as in the alternative to claims for damages under Fed. R.
15 Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs’ claims for damages or enters
16 judgment on them in favor of the Defendants, Plaintiffs’ will have no adequate legal
17 remedy.

18 **E. COUNT V: VIOLATION OF CALIFORNIA’S UNFAIR**
19 **COMPETITION LAW (CAL. BUS. & PROF. CODE § 17200, ET SEQ.)**

20 (Against Shimano, Specialized and Giant Defendants)

21 249. Plaintiffs reallege and incorporate by reference each of the allegations in
22 Paragraphs 1-158, above, as though fully set forth herein.

23 250. Plaintiffs bring this count, individually and on behalf of the other
24 members of the Nationwide Class against Shimano, Specialized and Giant Defendants
25 for their respective Class Bicycles and Defective Cranksets.

26 251. For purposes of this count, members of the Nationwide Class shall be
27 referred to as “Class Members.”
28

1 252. For purposes of this count, Shimano, Specialized and Giant shall be
2 referred to as “Defendants.”

3 253. California’s Unfair Competition Law (“UCL”) prohibits “unfair
4 [business] competition,” including any “unlawful, unfair or fraudulent” act or
5 practice, as well as any “unfair, deceptive, untrue or misleading advertising.” Cal.
6 Bus. & Prof. Code § 17200.

7 254. Defendants committed an unlawful business act or practice in violation
8 of § 17200 by violating the California FAL and CLRA, California Commercial Code,
9 Song-Beverly Consumer Warranty Act, consumer protection act of any state in which
10 Plaintiffs reside, and the Commercial Code of any state in which Plaintiffs reside, and
11 other laws alleged herein.

12 255. Unfair: Defendant’s conduct concerning the labeling, advertising, and
13 sale of the Class Bicycles and Defective Cranksets was “unfair” because Defendants’
14 conduct was immoral, unethical, unscrupulous, or substantially injurious to
15 consumers and the utility of their conduct, if any, does not outweigh the gravity of the
16 harm to their victims. Distributing materially unsafe Class Bicycles and Defective
17 Cranksets has no public utility at all. These acts and practices offend established
18 public policy. Defendants’ conduct impaired competition and prevented Plaintiffs and
19 the other Class Members from making fully informed decisions about whether to
20 purchase the Class Bicycles and Defective Cranksets and/or the price to be paid to
21 purchase them.

22 256. Any countervailing benefits to consumers or competition did not
23 outweigh this injury. Selling Class Bicycles and Defective Cranksets unsafe and unfit
24 for their intended purposes only injures healthy competition and harms consumers.
25 Defendants also minimized and ignored the scope of the defect for many years despite
26 knowing the Class Bicycles and Defective Cranksets are unreasonably dangerous,
27 made repairs and replacements during the warranty period that caused instances of
28

1 failure and unbeknownst to consumers did not provide a permanent fix, and
2 knowingly sold defective Class Bicycles and Defective Cranksets in hopes of forcing
3 consumers to purchase replacement bicycles and cranksets.

4 257. Defendants' conduct concerning the labeling, advertising, and sale of the
5 Class Bicycles and Defective Cranksets was and is also unfair because it violates
6 public policy as declared by specific constitutional, statutory, or regulatory
7 provisions, including but not limited to the applicable sections of the Consumers
8 Legal Remedies Act and the Song-Beverly Consumer Warranty Act, and consumer
9 protection statutes and other laws of states in which Plaintiffs reside.

10 258. Fraudulent: A statement or practice is "fraudulent" under the UCL if it
11 is likely to mislead or deceive the public, applying an objective reasonable consumer
12 test.

13 259. As set forth herein, Defendants designed, developed, manufactured, and
14 sold Defective Cranksets and installed them in the Class Bicycles, knowingly and
15 intentionally marketed the Class Bicycles and Defective Cranksets with the defect
16 while misrepresenting the strength, high-quality, safety, dependability, durability and
17 reliability of the Class Bicycles and Defective Cranksets and/or knowingly omitting
18 and failing to disclose material facts that the Class Bicycles and Defective Cranksets
19 suffer from the Crankset Defect (and the costs, risks, and diminished value of the
20 Class Bicycles and Defective Cranksets as a result). Defendants knew that the Class
21 Bicycles and Defective Cranksets were defectively designed, posed an unreasonable
22 safety risk, and unsuitable for their intended use.

23 260. Defendants were under a duty to Plaintiff and the Class Members to
24 disclose the defective nature of the Class Bicycles and Defective Cranksets because:

- 25 a. Given the Defendants' role in the design, manufacture, testing, and sale
26 of the Class Bicycles and Defective Cranksets, and their experience and
27 knowledge as experts and long-time veterans of the bicycle industry,
28

- 1 they possessed exclusive access to and were in a superior position to
2 know the true facts about the Class Bicycles and Defective Cranksets;
- 3 b. Given Shimano's design, development, testing and manufacture of the
4 Defective Cranksets and its experience and knowledge as an expert and
5 long-time veteran of the bicycle industry, it, along with the Bicycle
6 Manufacturer Defendants, possessed exclusive access to and was in a
7 superior position to know the true facts about the Defective Cranksets;
- 8 c. Defendants knew that the Class Bicycles and Defective Cranksets gave
9 rise to serious safety concerns for the consumers who purchased the
10 Class Bicycles and Defective Cranksets;
- 11 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and
12 the other Class Members lacked the sophisticated expertise in bicycle
13 and crankset components and design and technology necessary to
14 discover that the Class Bicycles and Defective Cranksets were defective;
- 15 e. Plaintiffs and the Class Members could not reasonably have been
16 expected to learn or discover that the Class Bicycles and Defective
17 Cranksets had a safety defect before purchase;
- 18 f. Defendants knew that Plaintiffs and the other Class Members could not
19 reasonably have been expected to learn or discover the defect and the
20 associated repair or replacement costs;
- 21 g. Defendants knew that the Class Bicycles and Defective Cranksets, and
22 the defect therein, gave rise to serious safety concerns for consumers
23 who purchased them;
- 24 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
25 in that, among other things, the Defective Cranksets can break during
26 normal use and riding, causing loss of balance and accidents that can lead
27 to severe and potentially fatal injuries;
- 28

- 1 i. Defendants knew about and investigated the Crankset Defect, but then
2 did not notify consumers about it, disclose the Crankset Defect to CPSC,
3 or further launch a comprehensive recall for all Class Bicycles and
4 Defective Cranksets, which individually and together deprived Plaintiffs
5 of an opportunity that otherwise could have led them to discover the truth
6 about the Crankset Defect in their Class Bicycles and Defective
7 Cranksets;
- 8 j. Defendants actively concealed the defect and the associated repair and
9 replacement costs by responding to negative reviews and inquiries
10 without disclosing the defect, asserting that the Class Bicycles and
11 Defective Cranksets were not defective, asserting that non-design factors
12 caused problems with the Defective Cranksets, and replacing defectively
13 designed Class Bicycles and Defective Cranksets with identical
14 defectively designed Class Bicycles and Defective Cranksets; and
- 15 k. Defendants made, helped to make, or conspired to make partial and
16 incomplete representations about strength, safety, quality, durability,
17 dependability and reliability of the Class Bicycles and Defective
18 Cranksets, while purposefully withholding material facts about a known
19 safety defect. Because they volunteered to provide information about the
20 Class Bicycles and Defective Cranksets that they marketed and offered
21 for sale to consumers, Defendants had the duty to disclose the whole
22 truth.

23 261. Defendants could have and should have prominently disclosed the defect
24 on the product listings on its website, on product packaging, and to third-party
25 retailers. Had Defendants disclosed the defect in this manner, Plaintiffs, Class
26 Members, and reasonable consumers would have been aware of it.

1 262. Defendants' unfair or deceptive acts or practices were designed to
2 mislead and had a tendency or capacity to mislead and create a false impression in
3 consumers that the Class Bicycles and Defective Cranksets were strong, safe, high
4 quality, reliable, durable, dependable, and properly functioning and that the Class
5 Bicycles and Defective Cranksets did not contain any defects. Those
6 misrepresentations, concealments, omissions, and suppressions of material facts did,
7 in fact, deceive reasonable consumers, including Plaintiffs and the other Class
8 Members, about the true strength, quality, safety, durability, dependability, and
9 reliability of the Class Bicycles and Defective Cranksets, as well as the quality and
10 true value thereof.

11 263. Defendants' misrepresentations, concealments, omissions, and
12 suppressions of material facts were material to Plaintiffs' and Class Members'
13 decisions in that a reasonable consumer would have considered them important in
14 deciding whether to purchase Defendants' Class Bicycles and Defective Cranksets or
15 pay a lesser price. Plaintiffs and the other Class Members were exposed to
16 Defendants' misrepresentations, concealments, omissions, and suppressions of facts,
17 and relied on Defendants' misrepresentations, concealment, omission and non-
18 disclosure that the Class Bicycles and Defective Cranksets were safe and reliable.

19 264. Plaintiffs' and Class Members' reliance was reasonable, as they had no
20 way of discerning Defendants' representations were false and misleading, or
21 otherwise learning of the defect, as alleged above. Plaintiffs and the other Class
22 Members did not, and could not, unravel Defendants' deception on their own.

23 265. Had Plaintiffs and the other Class Members known about the defective
24 nature of the Class Bicycles and Defective Cranksets, they would not have purchased
25 them or paid less for them.

26 266. Defendants profited from selling the falsely, deceptively, and unlawfully
27 advertised Class Bicycles and Defective Cranksets to unwary purchasers.
28

1 267. Plaintiffs and the other Class Members suffered ascertainable loss as a
2 direct and proximate result of Defendants' unlawful, fraudulent, and unfair business
3 acts and practices. Plaintiffs and the other Class Members will likely continue to be
4 damaged, as will the general public, by Defendants' deceptive trade practices because
5 Defendants continue disseminating misleading information on the packaging and in
6 online retail listings regarding the Class Bicycles and Defective Cranksets, and the
7 Class Bicycles and Defective Cranksets remain unsafe due to the defect therein.
8 Defendants' unlawful acts and practices complained of herein affect the public
9 interest. Thus, injunctive relief enjoining Defendants' deceptive practices is proper.

10 268. Defendants' conduct caused and continues to cause substantial injury to
11 Plaintiffs and the other Class Members. Plaintiff has suffered injury in fact as a result
12 of Defendants' unlawful conduct.

13 269. Under Bus. & Prof. Code § 17203, Plaintiff seeks an order enjoining
14 Defendants' unfair and/or deceptive acts or practices, any such orders or judgments
15 as may be necessary to restore, to Plaintiffs and the other Class Members, any money
16 acquired by unfair competition, including restitution of all monies from the sale of the
17 Class Bicycles and Defective Cranksets and/or restitutionary disgorgement of all
18 moneys which were unjustly acquired through acts of unlawful competition as
19 provided in Cal. Bus. & Prof. Code § 17203, and any other just and proper relief
20 available under the California UCL.

21 270. Plaintiffs plead this claim separately, see "Inadequacy of Legal
22 Remedies," *supra*, as well as in the alternative to claims for damages under Fed. R.
23 Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs' claims for damages or enters
24 judgment on them in favor of the Defendants, Plaintiffs' will have no adequate legal
25 remedy.

F. COUNT VI: VIOLATIONS OF THE SONG-BEVERLY ACT (CIV. CODE § 1790, ET SEQ.), VIA BREACH OF IMPLIED WARRANTY

(Against All Defendants)

271. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-158, above, as though fully set forth herein.

272. Plaintiffs bring this count, individually and on behalf of the other members of the Nationwide Class against all Defendants for their respective Class Bicycles and Defective Cranksets.

273. For purposes of this count, members of the Nationwide Class shall be referred to as “Class Members.”

274. For purposes of this count, Shimano, Specialized, Trek, and Giant shall be referred to as “Defendants.”

275. Plaintiffs and the other Class Members are “buyers” within the meaning of Cal. Civ. Code § 1791(b).

276. The Class Bicycles and Defective Cranksets are “consumer goods” within the meaning of Cal. Civ. Code § 1791(a).

277. Defendants are the “manufacturers” and “sellers” of the Class Bicycles and Defective Cranksets within the meaning of Cal. Civ. Code § 1791(j) and (l).

278. Cal. Civ. Code § 1792 provides that, unless properly disclaimed, every sale of consumer goods is accompanied by an implied warranty of merchantability. Defendants did not at any time properly disclaim the warranty.

279. Defendants knew of the particular purposes for which the Class Bicycles and Defective Cranksets were intended and impliedly warranted to Plaintiffs and the other Class Members that the Class Bicycles and Defective Cranksets were “merchantable” under Cal. Civ. Code §§ 1791.1(a) & 1792.

280. However, the Class Bicycles and Defective Cranksets do not have the quality that a reasonable purchaser would expect.

1 281. The Class Bicycles and Defective Cranksets are not merchantable and,
2 as such, Defendants breached their implied warranties because:

3 a. The Class Bicycles and Defective Cranksets would not pass without
4 objection in the trade because of the separation, delamination, and failure
5 defect alleged herein.

6 b. The Class Bicycles and Defective Cranksets have a dangerous defect in
7 that the defective Crankset part may separate, delaminate, and or fail
8 when ordinary force to propel the bicycle forward is applied to the pedal,
9 rendering safe control of a bicycle near impossible and posing a
10 significant safety hazard for consumers. As a result of the defect,
11 consumers may lose control of their bicycle and crash endangering both
12 themselves and the public at large. Such a design defect is extraordinarily
13 dangerous and has rendered the Class Bicycles and Defective Cranksets
14 unsuitable for their principal and intended purpose.

15 282. For the same reasons, the Class Bicycles and Defective Cranksets are not
16 fit for the ordinary purpose they are used—propelling a bicycle forward—because of
17 the safety defect as alleged herein.

18 283. The safety defect in the Class Bicycles and Defective Cranksets is latent.
19 Though the Class Bicycles and Defective Cranksets appear operable when new, the
20 safety defect existed at the time of sale and throughout the one year under the Song-
21 Beverly Act. Accordingly, any subsequent discovery of the safety defect by Class
22 Members beyond that time does not bar an implied warranty claim under the Song-
23 Beverly Act.

24 284. Further, despite due diligence, Plaintiffs and the other Class Members
25 could not have discovered the safety defect before the manifestation of its symptoms
26 in the form of separation, delamination, and failure while riding. Those Class
27
28

Members whose claims would have otherwise expired allege that the discovery rule and doctrine of fraudulent concealment tolls them.

285. Defendants breached the implied warranty of merchantability by manufacturing and selling Class Bicycles and Defective Cranksets containing the safety defect. The existence of the defect has caused Plaintiffs and the other Class Members not to receive the benefit of their bargain and have caused Class Bicycles and Defective Cranksets to depreciate.

286. As a direct and proximate result of Defendants' breach of the implied warranty of merchantability, Plaintiffs and the other Class Members received goods whose defective condition substantially impairs their value to Plaintiffs and the other Class Members. Plaintiffs and the other Class Members have been damaged as a result of the diminished value of the Class Bicycles and Defective Cranksets.

287. Plaintiffs and the other Class Members are entitled to damages and other legal and equitable relief, including, at their election, the purchase price of their Class Bicycles and Defective Cranksets or the overpayment or diminution in value of their Class Bicycles and Defective Cranksets. Plaintiffs, individually and on behalf of Class Members, seek all available monetary damages (including actual, compensatory, and punitive damages), injunctive and equitable relief, and attorneys' fees and costs.

288. Pursuant to Cal. Civ. Code § 1794, Plaintiffs and the other Class Members are entitled to costs and attorneys' fees.

CLAIMS ASSERTED ON BEHALF OF CALIFORNIA STATE SUBCLASS

A. COUNT VI: BREACH OF EXPRESS WARRANTY (CAL. COM. CODE §§ 2313 AND 10210)

(Against Shimano)

289. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-158, above, as though fully set forth herein.

1 290. Plaintiffs Delgado, Erazo, Gonyer Hawkins, Jennings, and Litam bring
2 this count under California law, individually and on behalf of the other members of
3 the California Subclass against Shimano for the Defective Cranksets.

4 291. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer, Hawkins,
5 Jennings, and Litam shall be referred to as “Plaintiffs,” and members of the California
6 Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano
7 shall be referred to as “Defendant.”

8 292. Plaintiffs’ Class Bicycles and Defective Cranksets are a “good” under
9 Cal. Com. Code §§ 2105(1) and 10103(a)(8).

10 293. Plaintiffs and the other Class Members who purchased Defective
11 Cranksets or Class Bicycles equipped with Defective Cranksets are “buyers” under
12 Cal. Com. Code §§ 2013(1)(a) and 10103(a)(14).

13 294. Shimano is a “merchant” and “seller” of the Defective Cranksets under
14 Cal. Com. Code §§2104(1) and 2103(1)(d), respectively.

15 295. Defendant issued an express written warranty for each Defective
16 Crankset they sold (including Defective Cranksets equipped in Class Bicycles),
17 including that:

- 18 a. The Defective Cranksets would be “free from a defect in material and
19 workmanship” at the time of sale; and³⁷
- 20 b. The Defective Cranksets were strong, high quality, safe, durable,
21 dependable, and reliable, and their cranksets would function properly
22 during the operation of the bicycles.

23 296. The warranties listed above formed the basis of the bargain with regard
24 to Plaintiffs’ and Class Members’ purchase of the Defective Cranksets or Class
25 Bicycles equipped with Defective Cranksets.

26
27 ³⁷ Shimano Warranty Policy, [https://ride.shimano.com/pages/shimano-warranty-](https://ride.shimano.com/pages/shimano-warranty-policy)
28 [policy](https://ride.shimano.com/pages/shimano-warranty-policy), last accessed on December 29, 2023.

1 297. Defendant knowingly breached its warranty for the Defective Cranksets
2 or Class Bicycles equipped with Defective Cranksets because:

3 a. The Defective Cranksets or Class Bicycles equipped with Defective
4 Cranksets have latent defects which have a dangerous propensity to
5 cause the bonded crank parts to separate and break, subjecting Plaintiffs
6 and the other Class Members to the risk of loss and injury; and

7 b. Defendant denied, concealed, and misrepresented (affirmatively and by
8 omission) the Crankset Defect, in the process of refusing to pay for or
9 provide, in a reasonably timely fashion, the needed repairs and
10 replacements for Plaintiffs and the other Class Members.

11 298. Defendant knew or should have known that the warranties were false
12 and/or misleading. Specifically, Defendant was aware of the Crankset Defect, which
13 made the Defective Cranksets or Class Bicycles equipped with Defective Cranksets
14 inherently defective and dangerous at the time that they were sold to Plaintiffs and the
15 other Class Members.

16 299. Plaintiffs and the other Class Members were exposed to Defendant's
17 misrepresentations and omissions/concealment, and they had no way of discerning
18 that Defendant's representations and omissions/concealment were false and
19 misleading or otherwise learning the material facts that Defendants had concealed or
20 failed to disclose. Accordingly, Plaintiffs and the other Class Members reasonably
21 relied on Defendant's express warranties when purchasing the Defective Cranksets or
22 Class Bicycles equipped with Defective Cranksets.

23 300. Plaintiffs and the other Class Members timely provided the Defendant
24 notice of the issues raised in this count and this Complaint and an opportunity to cure,
25 as alleged in the paragraphs addressing Defendant's notice, above.

26 301. Alternatively, Plaintiffs and the other Class Members were excused from
27 providing Defendant with notice and an opportunity to cure the breach, because it
28

1 would have been futile. As alleged above, Defendant knew about the Crankset Defect
2 for years. Moreover, although Defendant issued a recall, that recall is inadequate
3 because, inter alia: (a) it is belated because Defendant knew about the Defective
4 Cranksets, including Defective Cranksets included in Class Bicycles, for years and
5 did nothing to recall or remedy the serious safety defect; (b) with hundreds of
6 thousands of Class Bicycles and Defective Cranksets impacted in existing and
7 potential future recalls, as a result of Defendant's misrepresentations about and
8 omission/concealment of the Crankset Defect, the recalls cannot be implemented
9 effectively due to supply constraints and resulting delays; and (c) the recalls are
10 incomplete, and apply to only a subset of the Defective Cranksets or Class Bicycles
11 equipped with Defective Cranksets.

12 302. Privity of contract is not required here because Plaintiffs and the other
13 Class Members were each intended third-party beneficiaries of the Defective
14 Cranksets or Class Bicycles equipped with Defective Cranksets sold through
15 independent retailers. The retailers were not intended to be the ultimate consumers of
16 the Defective Cranksets or Class Bicycles equipped with Defective Cranksets and
17 have no rights under the warranty provided with the Defective Cranksets or Class
18 Bicycles equipped with Defective Cranksets.

19 303. Alternatively, privity of contract is satisfied because Plaintiffs and the
20 other Class Members purchased the Defective Cranksets or Class Bicycles equipped
21 with Defective Cranksets from retailers who were the exclusive retail sellers of
22 Defendant's products and/or acted as agents of the Defendants.

23 304. Plaintiffs and the other Class Members did not receive or otherwise have
24 the opportunity to review, at or before the time of sale, any purported warranty
25 exclusions and limitations of remedies. Accordingly, any such exclusions and
26 limitations of remedies are unconscionable and unenforceable.

1 311. Plaintiffs and the other Class Members are “buyers” of the Class
2 Bicycles and Defective Cranksets under Cal. Com. Code § 2103(1)(a).

3 312. Defendants are “merchants” and “sellers” under Cal. Com. Code §§
4 2104(1) and 2103(1)(d).

5 313. California law conferred an implied warranty that the Defective
6 Cranksets and Class Bicycles were in merchantable condition and fit for the ordinary
7 purpose for which they were to be used pursuant to Cal. Com. Code § 2314.

8 314. The Defective Cranksets and Class Bicycles are not merchantable and,
9 as such, Defendants breached their implied warranties, because at the time of sale and
10 all times thereafter:

- 11 a. The Class Bicycles and Defective Cranksets suffer from a safety defect
12 that renders them unsafe to ride and/or operate;
- 13 b. The Defective Cranksets and the Class Bicycles would not pass without
14 objection in the bicycle trade given the Crankset Defect;
- 15 c. The Crankset Defect renders the Defective Cranksets and Class Bicycles
16 unsafe to ride and unfit for ordinary purposes; and
- 17 d. The Crankset Defect affects the central functionality of the Class
18 Bicycles and Defective Cranksets.

19 315. Due to the Crankset Defect, Plaintiffs and the other Class Members
20 cannot operate their Class Bicycles and Defective Cranksets as intended, substantially
21 free from defects. The Class Bicycles and Defective Cranksets do not provide a safe
22 and reliable way to propel a bicycle forward and pose a serious risk of injury,
23 including crashing, bone fracture, laceration, and death. As a result, Plaintiffs and the
24 other Class Members cannot use their Class Bicycles and Defective Cranksets for the
25 purposes for which they purchased them.

1 316. Plaintiffs and the other Class Members timely provided Defendants
2 notice of the issues raised in this count and this Complaint and an opportunity to cure,
3 as alleged in the paragraphs addressing Defendants' notice, above.

4 317. Alternatively, Plaintiffs and the other Class Members were excused from
5 providing Defendants with notice and an opportunity to cure the breach, because it
6 would have been futile. As alleged above, Defendants knew about the Crankset Defect
7 for years. Moreover, although Defendants issued a recall, that recall is inadequate
8 because, inter alia: (a) it is belated because Defendants knew about the Defective
9 Cranksets, including the Defective Cranksets installed in Class Bicycles, for years and
10 did nothing to recall or remedy the serious safety defect; (b) with hundreds of
11 thousands of Class Bicycles and Defective Cranksets impacted in existing and
12 potential future recalls, as a result of Defendants' misrepresentations about and
13 omission/concealment of the Crankset Defect, the recalls cannot be implemented
14 effectively due to supply constraints and resulting delays; and (c) the recalls are
15 incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

16 318. Plaintiffs and the other Class Members have had sufficient direct
17 dealings with Defendants or their agents (retailers) to establish privity of contract
18 between Plaintiffs and the other Class Members. Shimano has employed its
19 authorized dealers to carry out the inspection of its Defective Cranksets.³⁸ To do so,
20 Shimano developed and distributed materials to its authorized dealers who Shimano
21 has tasked with inspecting the Defective Cranksets for the Crankset Defect.³⁹ Outside
22 of the CPSC Recall, Shimano also authorized its dealers to carry out the warranty
23 evaluation process on Shimano's behalf.⁴⁰ In performing these functions, Shimano

24
25 ³⁸ [https://www.cpsc.gov/Recalls/2023/Shimano-Recalls-Cranksets-for-Bicycles-
Due-to-Crash-Hazard](https://www.cpsc.gov/Recalls/2023/Shimano-Recalls-Cranksets-for-Bicycles-Due-to-Crash-Hazard), last accessed on April 28, 2024.

26 ³⁹ Russell Decl., Exh. 1 ¶ 7.

27 ⁴⁰ <https://bike.shimano.com/en-US/information/warranty.html>, last accessed on
28 April 28, 2024; [https://bike.shimano.com/content/dam/productsite/shimano-
northamerica/pdf/SAC%20Warranty.pdf](https://bike.shimano.com/content/dam/productsite/shimano-northamerica/pdf/SAC%20Warranty.pdf), last accessed on April 28, 2024.

1 authorized dealers to act as agents of Shimano such that, by purchasing Class Bicycles
2 from these authorized dealers, Plaintiffs and Class members directly dealt with
3 Defendants.

4 319. Plaintiffs, individually and on behalf Class Members, seeks all available
5 monetary damages (including actual, compensatory, and punitive damages),
6 injunctive and equitable relief, and attorneys' fees and costs.

7 **C. COUNT VIII: VIOLATIONS OF THE SONG-BEVERLY ACT (CIV.**
8 **CODE § 1790, *ET SEQ.*), VIA BREACH OF IMPLIED WARRANTY**

9 (Against Shimano, Specialized, and Trek)

10 320. Plaintiffs reallege and incorporate by reference each of the allegations in
11 Paragraphs 1-158, above, as though fully set forth herein.

12 321. Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam bring
13 this count under California law, individually and on behalf of the other members of
14 the California Subclass against all Shimano and Trek for their respective Class
15 Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who
16 purchased their Class Bicycles or Defective Cranksets in states with materially similar
17 laws may represent Subclasses under this count against all other Defendants.

18 322. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer, Hawkins,
19 Jennings, and Litam shall be referred to as "Plaintiffs," and members of the California
20 Subclass shall be referred to as "Class Members." For purposes of this count, Shimano
21 and Trek shall be referred to as "Defendants."

22 323. Plaintiffs and the other Class Members who purchased the Class
23 Bicycles and Defective Cranksets in California are "buyers" within the meaning of
24 Cal. Civ. Code § 1791(b).

25 324. The Class Bicycles and Defective Cranksets are "consumer goods"
26 within the meaning of Cal. Civ. Code § 1791(a).

1 325. Defendants are the “manufacturers” and “sellers” of the Class Bicycles
2 and Defective Cranksets within the meaning of Cal. Civ. Code § 1791(j) and (l)

3 326. Cal. Civ. Code § 1792 provides that, unless properly disclaimed, every
4 sale of consumer goods is accompanied by an implied warranty of merchantability.
5 Defendants did not at any time properly disclaim the warranty.

6 327. Defendants knew of the particular purposes for which the Class Bicycles
7 and Defective Cranksets were intended and impliedly warranted to Plaintiffs and the
8 other Class Members that the Class Bicycles and Defective Cranksets were
9 “merchantable” under Cal. Civ. Code §§ 1791.1(a) & 1792.

10 328. However, the Class Bicycles and Defective Cranksets do not have the
11 quality that a reasonable purchaser would expect.

12 329. The Class Bicycles and Defective Cranksets are not merchantable and,
13 as such, Defendants breached their implied warranties because:

- 14 a. The Class Bicycles and Defective Cranksets would not pass without
15 objection in the trade because of the separation, delamination, and failure
16 defect alleged herein.
- 17 b. The Class Bicycles and Defective Cranksets have a dangerous defect in
18 that the defective Crankset part may separate, delaminate, and or fail
19 when ordinary force to propel the bicycle forward to applied to the pedal,
20 rendering safe control of a bicycle near impossible and posing a
21 significant safety hazard for consumers. As a result of the defect,
22 consumers may lose control of their bicycle and crash endangering both
23 themselves and the public at large. Such a design defect is extraordinarily
24 dangerous and has rendered the Class Bicycles and Defective Cranksets
25 unsuitable for their principal and intended purpose.
- 26
27
28

1 330. For the same reasons, the Class Bicycles and Defective Cranksets are not
2 fit for the ordinary purpose they are used—propelling a bicycle forward—because of
3 the safety defect as alleged herein.

4 331. The safety defect in the Class Bicycles and Defective Cranksets is latent.
5 Though the Class Bicycles and Defective Cranksets appear operable when new, the
6 safety defect existed at the time of sale and throughout the one year under the Song-
7 Beverly Act. Accordingly, any subsequent discovery of the safety defect by Class
8 Members beyond that time does not bar an implied warranty claim under the Song-
9 Beverly Act.

10 332. Further, despite due diligence, Plaintiffs and the other Class Members
11 could not have discovered the safety defect before the manifestation of its symptoms
12 in the form of separation, delamination, and failure while riding. Those Class
13 Members whose claims would have otherwise expired allege that the discovery rule
14 and doctrine of fraudulent concealment tolls them.

15 333. Defendants breached the implied warranty of merchantability by
16 manufacturing and selling Class Bicycles and Defective Cranksets containing the
17 safety defect. The existence of the defect has caused Plaintiffs and the other Class
18 Members not to receive the benefit of their bargain and have caused Class Bicycles
19 and Defective Cranksets to depreciate.

20 334. As a direct and proximate result of Defendants' breach of the implied
21 warranty of merchantability, Plaintiffs and the other Class Members received goods
22 whose defective condition substantially impairs their value to Plaintiff and the other
23 California members. Plaintiffs and the other California Class Members have been
24 damaged as a result of the diminished value of the Class Bicycles and Defective
25 Cranksets.

26 335. Plaintiffs and the other California Class Members are entitled to damages
27 and other legal and equitable relief, including, at their election, the purchase price of
28

1 their Class Bicycles and Defective Cranksets or the overpayment or diminution in
2 value of their Class Bicycles and Defective Cranksets. Plaintiffs, individually and on
3 behalf of Class Members, seek all available monetary damages (including actual,
4 compensatory, and punitive damages), injunctive and equitable relief, and attorneys'
5 fees and costs.

6 336. Pursuant to Cal. Civ. Code § 1794, Plaintiffs and the other Class
7 Members are entitled to costs and attorneys' fees.

8 **D. COUNT IX: VIOLATIONS OF CALIFORNIA'S CONSUMER LEGAL**
9 **REMEDIES ACT (CAL. CIV. CODE §§ 1750, *ET SEQ.*)**

10 (Against Shimano, Specialized, and Trek)

11 337. Plaintiffs reallege and incorporate by reference each of the allegations in
12 Paragraphs 1-158, above, as though fully set forth herein.

13 338. Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam bring
14 this count under California law, individually and on behalf of the other members of
15 the California Subclass against all Shimano and Trek for their respective Class
16 Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who
17 purchased their Class Bicycles or Defective Cranksets in states with materially similar
18 laws may represent Subclasses under this count against all other Defendants.

19 339. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer, Hawkins,
20 Jennings, and Litam shall be referred to as "Plaintiffs," and members of the California
21 Subclass shall be referred to as "Class Members." For purposes of this count, Shimano
22 and Trek shall be referred to as "Defendants."

23 340. Defendants are "persons" under Cal. Civ. Code §1761(c).

24 341. Plaintiffs and the other Class Members are "consumers" under Cal. Civ.
25 Code §1761(d) because they purchased the Defective Cranksets and/or Class Bicycles
26 primarily for personal, family, or household use.

1 342. The purchase of the Defective Cranksets and/or Class Bicycles by
2 Plaintiffs and the other Class Members constitute “transactions” within the meaning
3 of Cal. Civ. Code § 1761(e).

4 343. The Defective Cranksets and the Class Bicycles are “goods” under Cal.
5 Civ. Code § 1761(a).

6 344. The California Consumer Legal Remedies Act (“CLRA”) prohibits
7 deceptive practices concerning the conduct of a business that provides goods,
8 property, or services primarily for personal, family, or household purposes.

9 345. Defendants, directly and through their agents, employees, and/or
10 subsidiaries, violated the CLRA by knowingly and intentionally misrepresenting,
11 omitting, concealing, and/or failing to disclose material facts regarding the reliability,
12 safety, and performance of the Class Bicycles and Defective Cranksets, as detailed
13 above.

14 346. Defendants’ violations of the CLRA occurred repeatedly in their trade or
15 practice—including the design, manufacture, distribution, marketing, and sale the
16 Class Bicycles and Defective Cranksets.

17 347. Defendants had an ongoing duty to Plaintiffs and the other Class
18 Members to refrain from unfair or deceptive practices under the CLRA in the course
19 of their business. Specifically, Defendants owed Plaintiffs and the other Class
20 Members a duty to disclose all the material facts concerning the Defective Cranksets
21 and the Defective Cranksets in the Class Bicycles because:

- 22 a. Given the Defendants’ role in the design, manufacture, testing, and sale
23 of the Class Bicycles and Defective Cranksets, and their experience and
24 knowledge as experts and long-time veterans of the bicycle industry,
25 they possessed exclusive access to and were in a superior position to
26 know the true facts about the Class Bicycles and Defective Cranksets;
27
28

- 1 b. Given Shimano's design, development, testing and manufacture of the
2 Defective Cranksets and its experience and knowledge as an expert and
3 long-time veteran of the bicycle industry, it, along with the Bicycle
4 Manufacturer Defendants, possessed exclusive access to and was in a
5 superior position to know the true facts about the Defective Cranksets;
- 6 c. Defendants knew that the Class Bicycles and Defective Cranksets gave
7 rise to serious safety concerns for the consumers who purchased the
8 Class Bicycles and Defective Cranksets;
- 9 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and
10 the other Class Members lacked the sophisticated expertise in bicycle
11 and crankset components and design and technology necessary to
12 discover that the Class Bicycles and Defective Cranksets were defective;
- 13 e. Plaintiffs and the Class Members could not reasonably have been
14 expected to learn or discover that the Class Bicycles and Defective
15 Cranksets had a safety defect before purchase;
- 16 f. Defendants knew that Plaintiffs and the other Class Members could not
17 reasonably have been expected to learn or discover the defect and the
18 associated repair or replacement costs;
- 19 g. Defendants knew that the Class Bicycles and Defective Cranksets, and
20 the defect therein, gave rise to serious safety concerns for consumers
21 who purchased them;
- 22 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
23 in that, among other things, the Defective Cranksets can break during
24 normal use and riding, causing loss of balance and accidents that can lead
25 to severe and potentially fatal injuries;
- 26 i. Defendants knew about and investigated the Crankset Defect, but then
27 did not notify consumers about it, disclose the Crankset Defect to CPSC,
28

1 or further launch a comprehensive recall for all Class Bicycles and
2 Defective Cranksets, which individually and together deprived Plaintiffs
3 of an opportunity that otherwise could have led them to discover the truth
4 about the Crankset Defect in their Class Bicycles and Defective
5 Cranksets;

6 j. Defendants actively concealed the defect and the associated repair and
7 replacement costs by responding to negative reviews and inquiries
8 without disclosing the defect, asserting that the Class Bicycles and
9 Defective Cranksets were not defective, asserting that non-design factors
10 caused problems with the Defective Cranksets, and replacing defectively
11 designed Class Bicycles and Defective Cranksets with identical
12 defectively designed Class Bicycles and Defective Cranksets; and

13 k. Defendants made, helped to make, or conspired to make partial and
14 incomplete representations about strength, safety, quality, durability,
15 dependability and reliability of the Class Bicycles and Defective
16 Cranksets, while purposefully withholding material facts about a known
17 safety defect. Because they volunteered to provide information about the
18 Class Bicycles and Defective Cranksets that they marketed and offered
19 for sale to consumers, Defendants had the duty to disclose the whole
20 truth.

21 348. By misrepresenting the Class Bicycles and Defective Cranksets as
22 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free
23 from defects, and/or by failing to disclose and actively concealing the dangers and
24 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in
25 one or more of the following unfair or deceptive business practices as defined in Cal.
26 Civ. Code § 1770(a):
27
28

- a. Representing that the Class Bicycles and Defective Cranksets had a characteristic that they did not actually have—i.e., that they were strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free from defects suitable for normal use, when, in fact, they were not because the Class Bicycles and Defective Cranksets were defectively designed such that they had an unreasonably dangerous propensity to break, causing accidents and injuries;
- b. Representing that the Class Bicycles and the Defective Cranksets were of a particular quality, grade, or standard when, in fact, they were not of that quality, grade, or standard;
- c. Concealing and failing to disclose that the Class Bicycles and Defective Cranksets were inherently defective, defectively designed, and not suitable for their intended use despite advertising them as safe and suitable for their intended function; and
- d. Failing to market, distribute, and sell the Class Bicycles and Defective Cranksets in accordance with Defendants’ previous representations—i.e., that the Class Bicycles and Defective Cranksets s were strong, high-quality, safe, dependable, durable, reliable and suitable for their intended use, when, in fact, they were not because of the Crankset Defect.

Cal. Civ. Code §§ 1770(a)(5), (7), (9), and (16).

349. Defendants’ unfair or deceptive acts or practices, including their misrepresentations, concealments, omissions, and/or suppressions of material facts, were designed to mislead and had a tendency or capacity to mislead and create a false impression in consumers that the Class Bicycles and Defective Cranksets were strong, safe, dependable, durable and reliable, and had properly-functioning cranksets that would properly function and be reliable. Defendants’ misrepresentations, concealments, omissions, and suppressions of material facts did, in fact, deceive

1 reasonable consumers, including Plaintiffs and the other Class Members, about the
2 true safety, strength, dependability, durability, and reliability of the Class Bicycles
3 and Defective Cranksets

4 350. Defendants intended for Plaintiffs and the other Class Members to rely
5 on their misrepresentations, omissions, and concealment – which they did by
6 purchasing the Defective Cranksets and Class Bicycles at the prices they paid
7 believing that their Defective Cranksets and Class Bicycles would not have a Crankset
8 Defect that would affect the strength, quality, durability, dependability, reliability,
9 and safety of the Class Bicycles and the Defective Cranksets.

10 351. Defendants’ misrepresentations, concealments, omissions, and
11 suppressions of material facts regarding the Crankset Defect and true characteristics
12 of the Defective Cranksets and Class Bicycles were material to the decisions of
13 Plaintiffs and the other Class Members to purchase those cranksets and bicycles, as
14 Defendants intended. Plaintiffs and the other Class Members were exposed to those
15 misrepresentations, concealments, omissions, and suppressions of material facts, and
16 relied on Defendants’ misrepresentations that the Class Bicycles and their Defective
17 Cranksets were safe and reliable in deciding to purchase the Class Bicycles and
18 Defective Cranksets.

19 352. Plaintiffs’ and Class Members’ reliance was reasonable, as they had no
20 way of discerning that Defendants’ representations were false and misleading, or
21 otherwise learning the facts that Defendants had concealed or failed to disclose.
22 Plaintiffs and the other Class Members did not, and could not, unravel Defendants’
23 deception on their own.

24 353. A reasonable consumer would have considered them important in
25 deciding whether to purchase Defendants’ Class Bicycles and Defective Cranksets or
26 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and
27
28

1 the Class members would not have purchased the Defective Cranksets and/or Class
2 Bicycles, or would have paid significantly less for them.

3 354. Defendants could have and should have prominently disclosed the defect
4 on the product listings on its website, on product packaging, and to third-party
5 retailers. Had Defendants disclosed the Crankset Defect in this manner, Plaintiffs,
6 Class Members and reasonable consumers would have been aware of it.

7 355. Defendants profited from selling the falsely, deceptively, and unlawfully
8 advertised Class Bicycles and Defective Cranksets to unwary purchasers.

9 356. As a direct and proximate result of Defendants' deceptive practices,
10 Plaintiffs and the other Class Members have sustained economic injury and loss –
11 either by purchasing a crankset or bicycle they otherwise would not have purchased
12 or paying more than they otherwise would have as a result of Defendants' actions and
13 omissions alleged above – that first occurred at the time each Defective Crankset
14 and/or Class Bicycle was purchased.

15 357. Defendants' violations present a continuing risk to Plaintiffs and the
16 other Class Members, as well as to the general public, because the Class Bicycles and
17 Defective Cranksets remain unsafe due to the Crankset Defect therein. Defendants'
18 unlawful acts and practices complained of herein affect the public interest.

19 358. Plaintiffs and the other Class Members timely provided Defendants
20 notice of the issues raised in this count and this Complaint and an opportunity to cure,
21 as alleged in the paragraphs addressing Defendants' notice, above. Because
22 Defendants failed to adequately remedy their unlawful conduct, Plaintiffs seeks all
23 damages and relief to which Plaintiffs and the other Class Members are entitled.

24 359. Alternatively, Plaintiffs and the other Class Members were excused from
25 providing Defendants with notice and an opportunity to cure the breach, because it
26 would have been futile. As alleged above, Defendants knew about the Crankset Defect
27 for years. Moreover, although Shimano issued a recall, that recall is inadequate
28

1 because, inter alia: (a) it is belated because Defendants knew about the Defective
2 Cranksets, including Defective Cranksets included in Class Bicycles, for years and
3 did nothing to recall or remedy the serious safety defect; (b) with hundreds of
4 thousands of Class Bicycles and Defective Cranksets impacted in existing and
5 potential future recalls, as a result of Defendants' misrepresentations about and
6 omission/concealment of the Crankset Defect, the recalls cannot be implemented
7 effectively due to supply constraints and resulting delays; and (c) the recalls are
8 incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

9 360. Defendants' violations present a continuing risk to Plaintiffs and the
10 other Class Members, as well as to the general public, because the Class Bicycles
11 and Defective Cranksets remain unsafe due to the defect therein. Defendants'
12 unlawful acts and practices complained of herein affect the public interest.

13 361. Plaintiffs currently seek injunctive relief, reasonable attorney fees and
14 costs, and any other relief that the Court deems proper, and do not yet seek money
15 damages under this count. In accordance with section 1782(a) of the CLRA,
16 Plaintiffs' counsel provided notice, on behalf of Plaintiffs and the other Class
17 Members, as alleged above.

18 362. If Defendants fail to correct or agree to correct their actions, Plaintiff
19 will amend this Complaint to include compensatory and monetary damages to which
20 Plaintiff and other Class Members are entitled.

21 363. Pursuant to California Civil Code § 1780, Plaintiff seeks injunctive
22 relief, reasonable attorney fees and costs, and any other relief the Court deems proper.

23 **E. COUNT X: FALSE ADVERTISING UNDER THE CALIFORNIA**
24 **FALSE ADVERTISING LAW (CAL. BUS. & PROF. CODE §§ 17500,**
25 **ET SEQ.)**

26 (Against Shimano, Specialized, and Trek)
27
28

1 364. Plaintiffs reallege and incorporate by reference each of the allegations in
2 Paragraphs 1-158, above, as though fully set forth herein.

3 365. Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam bring
4 this count under California law, individually and on behalf of the other members of
5 the California Subclass against all Shimano and Trek for their respective Class
6 Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who
7 purchased their Class Bicycles or Defective Cranksets in states with materially similar
8 laws may represent Subclasses under this count against all other Defendants.

9 366. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer, Hawkins,
10 Jennings, and Litam shall be referred to as “Plaintiffs,” and members of the California
11 Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano
12 and Trek shall be referred to as “Defendants.”

13 367. Plaintiffs, Class Members and Defendants are “persons” within the
14 meaning of Cal. Bus. & Prof. Code § 17506.

15 368. The California False Advertising Law (“FAL”) states: “It is unlawful for
16 any . . . corporation . . . with intent directly or indirectly to dispose of real or personal
17 property . . . to induce the public to enter into any obligation relating thereto, to make
18 or disseminate or cause to be made or disseminated . . . from this state before the
19 public in any state, in any newspaper or other publication, or any advertising device,
20 . . . or in any other manner or means whatever, including over the Internet, any
21 statement . . . which is untrue or misleading, and which is known, or which by the
22 exercise of reasonable care should be known, to be untrue or misleading.” Cal. Bus.
23 & Prof. Code § 17500.

24 369. Defendants, directly and through their agents, employees, and/or
25 subsidiaries, violated the FAL by knowingly and intentionally misrepresenting,
26 omitting, concealing, and/or failing to disclose material facts regarding the strength,
27 reliability, durability of the Class Bicycles and Defective Cranksets, as detailed above.
28

1 Defendants' actionable conduct includes misrepresentations, omissions, concealment,
2 and failure to disclose the known separation, delamination, and failure defect of the
3 Class Bicycles and Defective Cranksets.

4 370. The FAL imposes an ongoing duty on Defendants to refrain from unfair
5 and deceptive business practices, which includes disclosing all material facts, such as
6 latent dangerous defects, of the Class Bicycles and Defective Cranksets to consumers
7 because:

- 8 a. Given the Defendants' role in the design, manufacture, testing, and sale
9 of the Class Bicycles and Defective Cranksets, and their experience and
10 knowledge as experts and long-time veterans of the bicycle industry,
11 they possessed exclusive access to and were in a superior position to
12 know the true facts about the Class Bicycles and Defective Cranksets;
- 13 b. Given Shimano's design, development, testing and manufacture of the
14 Defective Cranksets and its experience and knowledge as an expert and
15 long-time veteran of the bicycle industry, it, along with the Bicycle
16 Manufacturer Defendants, possessed exclusive access to and was in a
17 superior position to know the true facts about the Defective Cranksets;
- 18 c. Defendants knew that the Class Bicycles and Defective Cranksets gave
19 rise to serious safety concerns for the consumers who purchased the
20 Class Bicycles and Defective Cranksets;
- 21 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and
22 the other Class Members lacked the sophisticated expertise in bicycle
23 and crankset components and design and technology necessary to
24 discover that the Class Bicycles and Defective Cranksets were defective;
- 25 e. Plaintiffs and the Class Members could not reasonably have been
26 expected to learn or discover that the Class Bicycles and Defective
27 Cranksets had a safety defect before purchase;

- 1 f. Defendants knew that Plaintiffs and the other Class Members could not
2 reasonably have been expected to learn or discover the defect and the
3 associated repair or replacement costs;
- 4 g. Defendants knew that the Class Bicycles and Defective Cranksets, and
5 the defect therein, gave rise to serious safety concerns for consumers
6 who purchased them;
- 7 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
8 in that, among other things, the Defective Cranksets can break during
9 normal use and riding, causing loss of balance and accidents that can lead
10 to severe and potentially fatal injuries;
- 11 i. Defendants knew about and investigated the Crankset Defect, but then
12 did not notify consumers about it, disclose the Crankset Defect to CPSC,
13 or further launch a comprehensive recall for all Class Bicycles and
14 Defective Cranksets, which individually and together deprived Plaintiffs
15 of an opportunity that otherwise could have led them to discover the truth
16 about the Crankset Defect in their Class Bicycles and Defective
17 Cranksets;
- 18 j. Defendants actively concealed the defect and the associated repair and
19 replacement costs by responding to negative reviews and inquiries
20 without disclosing the defect, asserting that the Class Bicycles and
21 Defective Cranksets were not defective, asserting that non-design factors
22 caused problems with the Defective Cranksets, and replacing defectively
23 designed Class Bicycles and Defective Cranksets with identical
24 defectively designed Class Bicycles and Defective Cranksets; and
- 25 k. Defendants made, helped to make, or conspired to make partial and
26 incomplete representations about strength, safety, quality, durability,
27 dependability and reliability of the Class Bicycles and Defective
28

1 Cranksets, while purposefully withholding material facts about a known
2 safety defect. Because they volunteered to provide information about the
3 Class Bicycles and Defective Cranksets that they marketed and offered
4 for sale to consumers, Defendants had the duty to disclose the whole
5 truth.

6 371. By misrepresenting the Class Bicycles and Defective Cranksets as
7 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free
8 from defects, and/or by failing to disclose and actively concealing the dangers and
9 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in
10 untrue and misleading advertising prohibited by Cal. Bus. & Prof. Code § 17500.

11 372. Defendants made or caused to be made and disseminated throughout
12 California advertising, marketing, labeling, and other publications containing
13 numerous statements that were untrue or misleading, and which were known, or
14 which by the exercise of reasonable care they should have been known to be untrue
15 and misleading to consumers, including Plaintiffs and the other Class Members.

16 373. Defendants' unfair or deceptive acts and practices, including their
17 misrepresentations, concealments, omissions, and suppressions of material facts, were
18 designed to mislead and had a tendency or capacity to mislead and create a false
19 impression in consumers that the Class Bicycles and Defective Cranksets were safe,
20 secure, and reliable, and that they did not contain a defect. Indeed, those
21 misrepresentations, concealments, omissions, and suppressions of material facts did
22 in fact deceive reasonable consumers, including Plaintiffs and Class Members, about
23 the true safety and reliability of the Class Bicycles and Defective Cranksets, the
24 quality of the Class Bicycles and Defective Cranksets, and the true value of the Class
25 Bicycles and Defective Cranksets.

26 374. Defendants intended for Plaintiffs and the other Class Members to rely
27 on their misrepresentations, omissions, and concealment—which they did by
28

1 purchasing Class Bicycles and Defective Cranksets at the prices they paid believing
2 that the Class Bicycles and Defective Cranksets would not have a defect that would
3 affect their quality, reliability, and safety.

4 375. Defendants' misrepresentations, omissions, and concealment of
5 materials regarding the defect in the Class Bicycles and Defective Cranksets, and true
6 characteristics thereof, were material to the decisions of Plaintiffs and the other Class
7 Members to purchase the Class Bicycles and Defective Cranksets, as Defendants
8 intended. Plaintiffs and the other Class Members were exposed to those
9 misrepresentations, concealments, omissions, and suppressions of material facts, and
10 relied on the Defendants' misrepresentations and omissions that the Class Bicycles
11 and Defective Cranksets were safe, secure, and reliable in deciding to purchase and
12 Class Bicycles and Defective Cranksets.

13 376. Absent Defendants' disclosure of material facts, Plaintiffs and the other
14 Class Members cannot discover the defect because it requires complex defective
15 Crankset manufacturing knowledge and access to documents in the exclusive
16 possession of the Defendants.

17 377. The fact that the Class Bicycles and Defective Cranksets may separate,
18 delaminate, or fail is a material fact that requires disclosure under the FAL.

19 378. Defendants did not disclose the defect to consumers until almost a
20 decade after discovering it, in their recall on September 21, 2023.

21 379. Plaintiffs and the other Class Members reasonably relied on Defendants'
22 concealment of misrepresentations, omissions, and concealment of material facts
23 regarding the reliability, durability, and strength of the Class Bicycles and defective
24 Crankset by purchasing them and believing they would be safe to use.

25 380. Plaintiffs' and Class Members' reliance on Defendants'
26 misrepresentations, omissions and concealment was reasonable because they did not
27 and could not know of the defect because they do not possess the necessary complex
28

1 skill and knowledge required to identify it, and Defendants misrepresented, concealed
2 and failed to disclose material facts that would have made discovery of the defect
3 possible to ordinary consumers.

4 381. Had Plaintiffs and the other Class Members known the truth about the
5 defective nature of the Class Bicycles and Defective Cranksets, they would not have
6 purchased them or would have paid significantly paid less for them.

7 382. Defendants' violations present a continuing risk to Plaintiffs and the
8 other Class Members, as well as to the general public, because the Class Bicycles and
9 Defective Cranksets remain unsafe due to the defect. The unlawful acts and practices
10 complained of, herein, affect the public interest.

11 383. Plaintiffs and the other Class Members will likely continue to be
12 damaged by Defendants' deceptive trade practices because Defendants continue
13 disseminating misleading information on the Class Bicycles and Defective Cranksets'
14 packaging and online retail listings. Thus, injunctive relief enjoining Defendants'
15 deceptive practices is proper.

16 384. Defendants' conduct caused and continues to cause substantial injury to
17 Plaintiffs and the other Class Members. Plaintiffs have suffered injury in fact as a
18 result of Defendants' unlawful conduct.

19 385. Plaintiffs and the other Class Members seek an order enjoining the
20 Defendants' false advertising, any such orders or judgments as may be necessary to
21 restore to Plaintiffs and the other Class Members any money acquired by unfair
22 competition, including restitution and/or restitutionary disgorgement, and any other
23 just and proper relief available under the false advertising provisions of the California
24 FAL.

25 386. Plaintiffs plead this claim separately, see "Inadequacy of Legal
26 Remedies," *supra*, as well as in the alternative to claims for damages under Fed. R.
27 Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs' claims for damages or enters
28

1 judgment on them in favor of the Defendants, Plaintiffs’ will have no adequate legal
2 remedy.

3 **F. COUNT XI: VIOLATION OF CALIFORNIA’S UNFAIR**
4 **COMPETITION LAW (CAL. BUS. & PROF. CODE § 17200, *ET SEQ.*)**

5 (Against Shimano, Specialized, and Trek)

6 387. Plaintiffs reallege and incorporate by reference each of the allegations in
7 Paragraphs 1-158, above, as though fully set forth herein.

8 388. Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam bring
9 this count under California law, individually and on behalf of the other members of
10 the California Subclass against all Shimano and Trek for their respective Class
11 Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who
12 purchased their Class Bicycles or Defective Cranksets in states with materially similar
13 laws may represent Subclasses under this count against all other Defendants.

14 389. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer, Hawkins,
15 Jennings, and Litam shall be referred to as “Plaintiffs,” and members of the California
16 Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano
17 and Trek shall be referred to as “Defendants.”

18 390. California’s Unfair Competition Law (“UCL”) prohibits “unfair
19 [business] competition,” including any “unlawful, unfair or fraudulent” act or
20 practice, as well as any “unfair, deceptive, untrue or misleading advertising.” Cal.
21 Bus. & Prof. Code § 17200.

22 391. Defendants committed an unlawful business act or practice in violation
23 of § 17200 by violating the California FAL and CLRA, California Commercial Code,
24 and Song-Beverly Consumer Warranty Act, and other laws alleged herein.

25 392. Unfair: Defendant’s conduct concerning the labeling, advertising, and
26 sale of the Class Bicycles and Defective Cranksets was “unfair” because Defendants’
27 conduct was immoral, unethical, unscrupulous, or substantially injurious to
28

1 consumers and the utility of their conduct, if any, does not outweigh the gravity of the
2 harm to their victims. Distributing materially unsafe Class Bicycles and Defective
3 Cranksets has no public utility at all. These acts and practices offend established
4 public policy. Defendants' conduct impaired competition and prevented Plaintiffs and
5 the other Class Members from making fully informed decisions about whether to
6 purchase the Class Bicycles and Defective Cranksets and/or the price to be paid to
7 purchase them.

8 393. Any countervailing benefits to consumers or competition did not
9 outweigh this injury. Selling Class Bicycles and Defective Cranksets unsafe and unfit
10 for their intended purposes only injures healthy competition and harms consumers.
11 Defendants also minimized and ignored the scope of the defect for many years despite
12 knowing the Class Bicycles and Defective Cranksets are unreasonably dangerous,
13 made repairs and replacements during the warranty period that caused instances of
14 failure and unbeknownst to consumers did not provide a permanent fix, and
15 knowingly sold defective Class Bicycles and Defective Cranksets in hopes of forcing
16 consumers to purchase replacement bicycles and cranksets.

17 394. Defendants' conduct concerning the labeling, advertising, and sale of the
18 Class Bicycles and Defective Cranksets was and is also unfair because it violates
19 public policy as declared by specific constitutional, statutory, or regulatory
20 provisions, including but not limited to the applicable sections of the Consumers
21 Legal Remedies Act and the Song-Beverly Consumer Warranty Act.

22 395. Fraudulent: A statement or practice is "fraudulent" under the UCL if it
23 is likely to mislead or deceive the public, applying an objective reasonable consumer
24 test.

25 396. As set forth herein, Defendants designed, developed, manufactured, and
26 sold Defective Cranksets and installed them in the Class Bicycles, knowingly and
27 intentionally marketed the Class Bicycles and Defective Cranksets with the defect
28

1 while misrepresenting the strength, high-quality, safety, dependability, durability and
2 reliability of the Class Bicycles and Defective Cranksets and/or knowingly omitting
3 and failing to disclose material facts that the Class Bicycles and Defective Cranksets
4 suffer from the Crankset Defect (and the costs, risks, and diminished value of the
5 Class Bicycles and Defective Cranksets as a result). Defendants knew that the Class
6 Bicycles and Defective Cranksets were defectively designed, posed an unreasonable
7 safety risk, and unsuitable for their intended use.

8 397. Defendants were under a duty to Plaintiffs and the Class Members to
9 disclose the defective nature of the Class Bicycles and Defective Cranksets because:

- 10 a. Given the Defendants' role in the design, manufacture, testing, and sale
11 of the Class Bicycles and Defective Cranksets, and their experience and
12 knowledge as experts and long-time veterans of the bicycle industry,
13 they possessed exclusive access to and were in a superior position to
14 know the true facts about the Class Bicycles and Defective Cranksets;
- 15 b. Given Shimano's design, development, testing and manufacture of the
16 Defective Cranksets and its experience and knowledge as an expert and
17 long-time veteran of the bicycle industry, it, along with the Bicycle
18 Manufacturer Defendants, possessed exclusive access to and was in a
19 superior position to know the true facts about the Defective Cranksets;
- 20 c. Defendants knew that the Class Bicycles and Defective Cranksets gave
21 rise to serious safety concerns for the consumers who purchased the
22 Class Bicycles and Defective Cranksets;
- 23 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and
24 the other Class Members lacked the sophisticated expertise in bicycle
25 and crankset components and design and technology necessary to
26 discover that the Class Bicycles and Defective Cranksets were defective;
- 27
28

- 1 e. Plaintiffs and the Class Members could not reasonably have been
2 expected to learn or discover that the Class Bicycles and Defective
3 Cranksets had a safety defect before purchase;
- 4 f. Defendants knew that Plaintiffs and the other Class Members could not
5 reasonably have been expected to learn or discover the defect and the
6 associated repair or replacement costs;
- 7 g. Defendants knew that the Class Bicycles and Defective Cranksets, and
8 the defect therein, gave rise to serious safety concerns for consumers
9 who purchased them;
- 10 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
11 in that, among other things, the Defective Cranksets can break during
12 normal use and riding, causing loss of balance and accidents that can lead
13 to severe and potentially fatal injuries;
- 14 i. Defendants knew about and investigated the Crankset Defect, but then
15 did not notify consumers about it, disclose the Crankset Defect to CPSC,
16 or further launch a comprehensive recall for all Class Bicycles and
17 Defective Cranksets, which individually and together deprived Plaintiffs
18 of an opportunity that otherwise could have led them to discover the truth
19 about the Crankset Defect in their Class Bicycles and Defective
20 Cranksets;
- 21 j. Defendants actively concealed the defect and the associated repair and
22 replacement costs by responding to negative reviews and inquiries
23 without disclosing the defect, asserting that the Class Bicycles and
24 Defective Cranksets were not defective, asserting that non-design factors
25 caused problems with the Defective Cranksets, and replacing defectively
26 designed Class Bicycles and Defective Cranksets with identical
27 defectively designed Class Bicycles and Defective Cranksets; and
28

1 k. Defendants made, helped to make, or conspired to make partial and
2 incomplete representations about strength, safety, quality, durability,
3 dependability and reliability of the Class Bicycles and Defective
4 Cranksets, while purposefully withholding material facts about a known
5 safety defect. Because they volunteered to provide information about the
6 Class Bicycles and Defective Cranksets that they marketed and offered
7 for sale to consumers, Defendants had the duty to disclose the whole
8 truth.

9 398. Defendants could have and should have prominently disclosed the defect
10 on the product listings on its website, on product packaging, and to third-party
11 retailers. Had Defendants disclosed the defect in this manner, Plaintiffs, Class
12 Members, and reasonable consumers would have been aware of it.

13 399. Defendants' unfair or deceptive acts or practices were designed to
14 mislead and had a tendency or capacity to mislead and create a false impression in
15 consumers that the Class Bicycles and Defective Cranksets were strong, safe, high
16 quality, reliable, durable, dependable, and properly functioning and that the Class
17 Bicycles and Defective Cranksets did not contain any defects. Those
18 misrepresentations, concealments, omissions, and suppressions of material facts did,
19 in fact, deceive reasonable consumers, including Plaintiffs and the other Class
20 Members, about the true strength, quality, safety, durability, dependability, and
21 reliability of the Class Bicycles and Defective Cranksets, as well as the quality and
22 true value thereof.

23 400. Defendants' misrepresentations, concealments, omissions, and
24 suppressions of material facts were material to Plaintiffs' and Class Members'
25 decisions in that a reasonable consumer would have considered them important in
26 deciding whether to purchase Defendants' Class Bicycles and Defective Cranksets or
27 pay a lesser price. Plaintiffs and the other Class Members were exposed to
28

1 Defendants' misrepresentations, concealments, omissions, and suppressions of facts,
2 and relied on Defendants' misrepresentations, concealment, omission and non-
3 disclosure that the Class Bicycles and Defective Cranksets were safe and reliable.

4 401. Plaintiffs' and Class Members' reliance was reasonable, as they had no
5 way of discerning Defendants' representations were false and misleading, or
6 otherwise learning of the defect, as alleged above. Plaintiffs and the other Class
7 Members did not, and could not, unravel Defendants' deception on their own.

8 402. Had Plaintiffs and the other Class Members known about the defective
9 nature of the Class Bicycles and Defective Cranksets, they would not have purchased
10 them or paid less for them.

11 403. Defendants profited from selling the falsely, deceptively, and unlawfully
12 advertised Class Bicycles and Defective Cranksets to unwary purchasers.

13 404. Plaintiffs and the other Class Members suffered ascertainable loss as a
14 direct and proximate result of Defendants' unlawful, fraudulent, and unfair business
15 acts and practices. Plaintiffs and the other Class Members will likely continue to be
16 damaged, as will the general public, by Defendants' deceptive trade practices because
17 Defendants continue disseminating misleading information on the packaging and in
18 online retail listings regarding the Class Bicycles and Defective Cranksets, and the
19 Class Bicycles and Defective Cranksets remain unsafe due to the defect therein.
20 Defendants' unlawful acts and practices complained of herein affect the public
21 interest. Thus, injunctive relief enjoining Defendants' deceptive practices is proper.

22 405. Defendants' conduct caused and continues to cause substantial injury to
23 Plaintiffs and the other Class Members. Plaintiff has suffered injury in fact as a result
24 of Defendants' unlawful conduct.

25 406. Under Cal. Bus. & Prof. Code § 17203, Plaintiff seeks an order enjoining
26 Defendants' unfair and/or deceptive acts or practices, any such orders or judgments
27 as may be necessary to restore, to Plaintiffs and the other Class Members, any money
28

1 acquired by unfair competition, including restitution of all monies from the sale of the
2 Class Bicycles and Defective Cranksets and/or restitutionary disgorgement of all
3 moneys which were unjustly acquired through acts of unlawful competition as
4 provided in Cal. Bus. & Prof. Code § 17203, and any other just and proper relief
5 available under the California UCL.

6 407. Plaintiffs plead this claim separately, see “Inadequacy of Legal
7 Remedies,” *supra*, as well as in the alternative to claims for damages under Fed. R.
8 Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs’ claims for damages or enters
9 judgment on them in favor of the Defendants, Plaintiffs’ will have no adequate legal
10 remedy.

11 **G. COUNT XII: FRAUD**

12 (Against Shimano, Specialized, and Trek)

13 408. Plaintiffs reallege and incorporate by reference each of the allegations in
14 Paragraphs 1-158, above, as though fully set forth herein.

15 409. Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam bring
16 this count under California law, under both the misrepresentation and
17 omission/concealment theories, under California law, individually and on behalf of
18 the California Subclass against Shimano and Trek for their respective Class Bicycles
19 and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased
20 their Class Bicycles or Defective Cranksets in states with materially similar laws may
21 represent Subclasses under this count against all other Defendants.

22 410. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer, Hawkins,
23 Jennings, and Litam shall be referred to as “Plaintiffs,” and members of the California
24 Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano
25 and Trek shall be referred to as “Defendants.”
26
27
28

1 **1. Affirmative Misrepresentation**

2 411. Defendants represented and marketed the Class Bicycles and Defective
3 Cranksets as strong, of high-quality, durable, dependable, and reliable. These
4 representations are understood in the cycling community and consumers to mean that
5 the Class Bicycles and Defective Cranksets are “safe” for ordinary use.

6 412. The strength, quality, durability, dependability and reliability of the
7 Defective Cranksets and the Class Bicycles in which the Defective Cranksets were
8 installed were material facts because a reasonable person would find it important in
9 purchasing or retaining a new or used bicycle and because it directly impacts the value
10 of the Class Bicycles and Defective Cranksets purchased by Plaintiffs and the other
11 Class Members.

12 413. Defendants’ representations regarding the Defective Cranksets and Class
13 Bicycles’ strength, quality, durability, dependability and reliability—all terms that
14 signal “safety” to consumers—were false because the Class Bicycles and Defective
15 Cranksets contain the Crankset Defect that causes the cranksets to break during
16 normal use. In doing so, the presence of the Crankset Defect makes the Defective
17 Cranksets and Class Bicycles unsafe for normal use.

18 414. Defendants knew that their representations were false and intended
19 Plaintiffs and the other Class Members to rely on them. —which they did by
20 purchasing the Class Bicycles and Defective Cranksets at the prices they paid
21 believing that they would not have a Crankset Defect that would affect the quality,
22 reliability, durability, strength and safety of the Class Bicycles and Defective
23 Cranksets.

24 415. Plaintiffs’ and Class Members’ reliance was reasonable because a
25 reasonable consumer would not have expected that the Class Bicycles and Defective
26 Cranksets contained a safety defect that poses such a serious risk. They had no way
27 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and
28

1 the other Class Members did not, and could not, unravel Defendants' deception on
2 their own.

3 416. Had Plaintiffs and the other Class Members known of the Crankset
4 Defect within the Class Bicycles or Defective Cranksets, they would not have
5 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

6 417. As a direct and proximate result of Defendants' omissions and
7 concealment, Plaintiffs and other Class Members either overpaid for the Class
8 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or
9 Defective Cranksets at all if the Crankset Defect had been disclosed to them.
10 Accordingly, Defendants are liable to Plaintiffs and the other Class Members for their
11 damages in an amount to be proven at trial.

12 418. Defendants acted maliciously, oppressively, deliberately, with intent to
13 defraud; in reckless disregard of the Plaintiffs' and Class Members' rights and well-
14 being; and to enrich themselves. Defendants' misconduct warrants an assessment of
15 punitive damages, as permitted by law, in an amount sufficient to deter such conduct
16 in the future, which amount shall be determined according to proof at trial.

17 **2. Omission/Concealment**

18 419. Defendants are liable for fraud by omission, concealment, and/or non-
19 disclosure. *See, e.g.*, Restatement (Second) of Torts §§ 550-51 (1977).

20 420. Defendants owed Plaintiffs and the other Class Members a duty to
21 disclose all the material facts concerning the Defective Cranksets in the Class
22 Bicycles and Defective Cranksets because:

- 23 a. Given the Defendants' role in the design, manufacture, pre-sale
24 testing, sale, and post-sale monitoring of the Class Bicycles and
25 Defective Cranksets, and their experience and knowledge as experts
26 and long-time veterans of the bicycle industry, they possessed
27
28

1 exclusive access to and were in a superior position to know the true
2 facts about the Class Bicycles and Defective Cranksets;

3 b. Given Shimano's design, development, testing and manufacture of
4 the Defective Cranksets and its experience and knowledge as an
5 expert and long-time veteran of the bicycle industry, it, along with
6 the Bicycle Manufacturer Defendants, possessed exclusive access to
7 and was in a superior position to know the true facts about the
8 Defective Cranksets, including their component parts, design,
9 adhesive properties, tolerances, and other information not known to
10 Plaintiffs or Class Members;

11 c. Defendants knew that the Class Bicycles and Defective Cranksets
12 gave rise to serious safety concerns for the consumers who
13 purchased the Class Bicycles and Defective Cranksets;

14 d. Given the Crankset Defect's hidden, proprietary, and technical
15 nature, Plaintiffs and the other Class Members lacked the
16 sophisticated expertise in bicycle and crankset components and
17 design and technology necessary to discover that the Class Bicycles
18 and Defective Cranksets were defective;

19 e. Plaintiffs and the Class Members could not reasonably have been
20 expected to learn or discover that the Class Bicycles and Defective
21 Cranksets had a safety defect before purchase;

22 f. Defendants knew that Plaintiffs and the other Class Members could
23 not reasonably have been expected to learn or discover the defect
24 and the associated repair or replacement costs;

25 g. Defendants knew that the Class Bicycles and Defective Cranksets,
26 and the defect therein, gave rise to serious safety concerns for
27 consumers who purchased them;
28

- 1 h. The Class Bicycles and Defective Cranksets pose a severe risk of
2 harm in that, among other things, the Defective Cranksets can break
3 during normal use and riding, causing loss of balance and accidents
4 that can lead to severe and potentially fatal injuries;
- 5 i. Defendants knew about and investigated the Crankset Defect, but
6 then did not notify consumers about it, disclose the Crankset Defect
7 to CPSC, or further launch a comprehensive recall for all Class
8 Bicycles and Defective Cranksets, which individually and together
9 deprived Plaintiffs of an opportunity that otherwise could have led
10 them to discover the truth about the Crankset Defect in their Class
11 Bicycles and Defective Cranksets;
- 12 j. Defendants actively concealed the defect and the associated repair
13 and replacement costs by responding to negative reviews and
14 inquiries without disclosing the defect, asserting that the Class
15 Bicycles and Defective Cranksets were not defective, asserting that
16 non-design factors caused problems with the Defective Cranksets,
17 and replacing defectively designed Class Bicycles and Defective
18 Cranksets with identical defectively designed Class Bicycles and
19 Defective Cranksets; and
- 20 k. Defendants made, helped to make, or conspired to make partial and
21 incomplete representations about strength, safety, quality,
22 durability, dependability and reliability of the Class Bicycles and
23 Defective Cranksets, while purposefully withholding material facts
24 about a known safety defect. Because they volunteered to provide
25 information about the Class Bicycles and Defective Cranksets that
26 they marketed and offered for sale to consumers, Defendants had the
27 duty to disclose the whole truth.
- 28

1 421. In breach of their duties, Defendants failed to disclose the Crankset
2 Defect and that the Class Bicycles and Defective Cranksets were not strong, safety,
3 high-quality, durable, durable or free of defects to Plaintiffs and the other Class
4 Members in connection with the sale of the Class Bicycles and Defective Cranksets.

5 422. The Crankset Defect within the Class Bicycles and Defective Cranksets
6 is material to the sale of the of the Class Bicycles and Defective Cranksets because a
7 reasonable person would find it important in purchasing or retaining a new or used
8 bicycle and because it directly impacts the value of the Class Bicycles and Defective
9 Cranksets purchased by Plaintiffs and the other Class Members.

10 423. Defendants intended for Plaintiffs and the other Class Members to rely
11 on their omissions and concealment—which they did by purchasing the Class
12 Bicycles and Defective Cranksets at the prices they paid believing that they would not
13 have a Crankset Defect that would affect the quality, reliability, durability, strength
14 and safety of the Class Bicycles and Defective Cranksets.

15 424. Plaintiffs’ and Class Members’ reliance was reasonable because a
16 reasonable consumer would not have expected that the Class Bicycles and Defective
17 Cranksets s contained a safety defect that poses such a serious risk. They had no way
18 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and
19 the other Class Members did not, and could not, unravel Defendants’ deception on
20 their own.

21 425. Defendants actively concealed and suppressed these material facts, in
22 whole or in part, to maintain a market for the Class Bicycles and Defective Cranksets
23 installed in them, and the Defective Cranksets themselves, to protect profits, and to
24 avoid costly recalls that would expose them to liability for those expenses and harm
25 the commercial reputations of Defendants and their products. They did so at the
26 expense of Plaintiffs and the other Class Members.

1 426. If Defendants had fully and adequately disclosed the Crankset Defect to
2 consumers, Plaintiffs and the other Class Members would have seen such a disclosure.

3 427. Through their omissions and concealment with respect to the Crankset
4 Defect within the Class Bicycles and Defective Cranksets, Defendants intended to
5 induce, and did induce, Plaintiffs and the other Class Members to either purchase a
6 Class Bicycle or a Defective Crankset that they otherwise would not have purchased,
7 or pay more for than they otherwise would have paid for a Class Bicycle or Defective
8 Crankset.

9 428. Had Plaintiffs and the other Class Members known of the Crankset
10 Defect within the Class Bicycles or Defective Cranksets, they would not have
11 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

12 429. As a direct and proximate result of Defendants' omissions and
13 concealment, Plaintiffs and other Class Members either overpaid for the Class
14 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or
15 Defective Cranksets at all if the Crankset Defect had been disclosed to them.
16 Accordingly, Defendants are liable to Plaintiffs and the other Class Members for their
17 damages in an amount to be proven at trial.

18 430. Defendants acted maliciously, oppressively, deliberately, with intent to
19 defraud; in reckless disregard of the Plaintiffs' and Class Members' rights and well-
20 being; and to enrich themselves. Defendants' misconduct warrants an assessment of
21 punitive damages, as permitted by law, in an amount sufficient to deter such conduct
22 in the future, which amount shall be determined according to proof at trial.

23
24 **H. COUNT XIII: UNJUST ENRICHMENT**

25 (Against Shimano, Specialized, and Trek)

26 431. Plaintiffs reallege and incorporate by reference each of the allegations in
27 Paragraphs 1-158, above, as though fully set forth herein.

1 432. Plaintiffs Delgado, Erazo, Gonyer, Hawkins, Jennings, and Litam bring
2 this count under California law, individually and on behalf of the other members of
3 the California Subclass against all Shimano and Trek for their respective Class
4 Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who
5 purchased their Class Bicycles or Defective Cranksets in states with materially similar
6 laws may represent Subclasses under this count against all other Defendants.

7 433. For purposes of this count, Plaintiffs Delgado, Erazo, Gonyer, Hawkins,
8 Jennings, and Litam shall be referred to as “Plaintiffs,” and members of the California
9 Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano
10 and Trek shall be referred to as “Defendants.”

11 434. When they purchased the Class Bicycles or Defective Cranksets,
12 Plaintiffs and Class Member conferred a tangible and material economic benefits on
13 Defendants. Defendants readily accepted and retained the benefits.

14 435. Plaintiffs and the other Class Members would not have purchased the
15 Defective Cranksets or Class Bicycles, or would have paid less for them, had they
16 known of the Crankset Defect at the time of purchase. Therefore, Defendants profited
17 from the sale of the Defective Cranksets and Class Bicycles to the detriment and
18 expense of Plaintiffs and the other Class Members.

19 436. Defendants knew or should have known that the payments rendered by
20 Plaintiffs and the other Class Members were given with the expectation that the Class
21 Bicycles and Defective Cranksets would have the qualities, characteristics, and
22 suitability for use represented and warranted by Defendants. Defendants appreciated
23 the economic benefits. The benefits were the expected result of Defendants acting in
24 their own pecuniary interest at the expense of Plaintiffs and the other Class Members.
25 Defendants knew of the benefits they were receiving because they were aware of the
26 Crankset Defect in the Class Bicycles and Defective Cranksets, yet they failed to
27 disclose this knowledge and misled Plaintiffs and the other Class Members regarding
28

1 the nature and quality of the Class Bicycles and Defective Cranksets while profiting
2 from their deception. As such, it would be unjust, inequitable, and unconscionable for
3 Defendants to retain the benefit of the payments under these circumstances.

4 437. By their wrongful acts and omissions described herein, including selling
5 the Class Bicycles and Defective Cranksets which contain the Crankset Defect,
6 Defendants were unjustly enriched at the expense of Plaintiffs and the other Class
7 Members.

8 438. Plaintiffs' and Class Members' detriment and Defendants' enrichment
9 were related to and flowed from the wrongful conduct challenged in this Complaint.

10 439. Defendants have profited from their unlawful, unfair, misleading, and
11 deceptive practices at the expense of Plaintiffs and the other Class Members. It would
12 be unjust, inequitable and unconscionable for Defendants to retain the profits,
13 benefits, and other compensation obtained from their wrongful conduct alleged herein

14 440. Defendants have been unjustly enriched in retaining the revenues derived
15 from Plaintiffs' and Class Members' purchases of Class Bicycles and Defective
16 Cranksets, which retention of such revenues under these circumstances is unjust and
17 inequitable because Defendants manufactured the Class Bicycles and Defective
18 Cranksets, and Defendants affirmatively misrepresented and omitted and/or
19 concealed the nature of the Class Bicycles and Defective Cranksets, and knowingly
20 marketed and promoted dangerous and Class Bicycles and Defective Cranksets,
21 which injured Plaintiffs and the other Class Members because they would not have
22 purchased the Class Bicycles and Defective Cranksets based on the exact
23 representations if the true facts concerning the Class Bicycles and Defective Cranksets
24 had been known.

25 441. Plaintiffs and putative Class Members are entitled to restitution and to
26 recover from Defendants all amounts wrongfully collected and improperly retained
27 by Defendants in the amount necessary to return Plaintiffs and the other Class
28

Members to the position they occupied prior to dealing with Defendants, with such amounts to be determined at trial.

442. As a direct and proximate result of Defendants' wrongful conduct and unjust enrichment, Plaintiffs and putative Class Members are entitled to restitution of, disgorgement of, and/or imposition of a constructive trust upon all profits, benefits, and other compensation obtained by Defendants for their inequitable and unlawful conduct.

443. Plaintiffs plead this claim separately as well as in the alternative to claims for damages under Fed. R. Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs' claims for damages or enters judgment on them in favor of the Defendants, Plaintiffs will have no adequate legal remedy.

CLAIMS ASSERTED ON BEHALF OF FLORIDA STATE SUBCLASS

A. COUNT XIV: BREACH OF EXPRESS WARRANTY (FLA. STAT. § 672.313)

(Against Shimano)

444. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-158, above, as though fully set forth herein.

445. Plaintiffs Bongiovanni, Scorsolini, and Tirado brings this count under Florida law, individually and on behalf of the other members of the Florida Subclass against Shimano for the Defective Cranksets.

446. For purposes of this count, Plaintiffs Bongiovanni, Scorsolini, and Tirado shall be referred to as "Plaintiffs," and members of the Florida Subclass shall be referred to as "Class Members." For purposes of this count, Shimano shall be referred to as "Defendant."

447. The Class Bicycles and Defective Cranksets are all "goods" under Fla. Stat. § 672.105(1).

1 448. Defendants are “merchants” and “sellers” of the Class Bicycles and
2 Defective Cranksets under Fla. Stat. §§ 672.104(1) and 672.103(1)(d), respectively.

3 449. Plaintiffs and Class Members who purchased the Class Bicycles and
4 Defective Cranksets in Florida are “buyers” under Fla. Stat. §§ 672.103(1)(a).

5 450. Defendant issued an express written warranty for each Defective
6 Crankset they sold (including Defective Cranksets equipped in Class Bicycles),
7 including that:

8 a. The Defective Cranksets would be “free of defects in materials and
9 workmanship” at the time of sale;⁴¹ and

10 b. The Defective Cranksets were strong, high quality, safe, durable,
11 dependable, and reliable, and their cranksets would function properly
12 during the operation of the bicycles.

13 451. The warranties listed above formed the basis of the bargain with regard
14 to Plaintiffs’ and Class Members’ purchase of the Defective Cranksets or Class
15 Bicycles equipped with Defective Cranksets.

16 452. Defendant knowingly breached its warranty for the Defective Cranksets
17 or Class Bicycles equipped with Defective Cranksets because:

18 a. The Defective Cranksets or Class Bicycles equipped with Defective
19 Cranksets have latent defects which have a dangerous propensity to
20 cause the bonded crank parts to separate and break, subjecting Plaintiffs
21 and Class Members to the risk of loss and injury; and

22 b. Defendant denied, concealed, and misrepresented (affirmatively and by
23 omission) the Crankset Defect, in the process of refusing to pay for or
24 provide, in a reasonably timely fashion, the needed repairs and
25 replacements for Plaintiffs and Class Members.

26
27 ⁴¹ Shimano Warranty Policy, [https://ride.shimano.com/pages/shimano-warranty-](https://ride.shimano.com/pages/shimano-warranty-policy)
28 [policy](https://ride.shimano.com/pages/shimano-warranty-policy), last accessed on December 29, 2023.

1 453. Defendant knew or should have known that the warranties were false
2 and/or misleading. Specifically, Defendant was aware of the Crankset Defect, which
3 made the Defective Cranksets or Class Bicycles equipped with Defective Cranksets
4 inherently defective and dangerous at the time that they were sold to Plaintiffs and
5 Class Members.

6 454. Plaintiffs and Class Members were exposed to Defendant's
7 misrepresentations and omissions/concealment, and they had no way of discerning
8 that Defendant's representations and omissions/concealment were false and
9 misleading or otherwise learning the material facts that Defendants had concealed or
10 failed to disclose. Accordingly, Plaintiffs and Class Members reasonably relied on
11 Defendant's express warranties when purchasing the Defective Cranksets or Class
12 Bicycles equipped with Defective Cranksets.

13 455. Plaintiffs and Class Members timely provided the Defendant notice of
14 the issues raised in this count and this Complaint and an opportunity to cure, as alleged
15 in the paragraphs addressing Defendant's notice, above.

16 456. Alternatively, Plaintiffs and Class Members were excused from
17 providing Defendant with notice and an opportunity to cure the breach, because it
18 would have been futile. As alleged above, Defendant knew about the Crankset Defect
19 for years. Moreover, although Defendant issued a recall, that recall is inadequate
20 because, inter alia: (a) it is belated because Defendant knew about the Defective
21 Cranksets, including Defective Cranksets included in Class Bicycles, for years and
22 did nothing to recall or remedy the serious safety defect; (b) with hundreds of
23 thousands of Class Bicycles and Defective Cranksets impacted in existing and
24 potential future recalls, as a result of Defendant's misrepresentations about and
25 omission/concealment of the Crankset Defect, the recalls cannot be implemented
26 effectively due to supply constraints and resulting delays; and (c) the recalls are
27
28

1 incomplete, and apply to only a subset of the Defective Cranksets or Class Bicycles
2 equipped with Defective Cranksets.

3 457. Privity of contract is not required here because Plaintiffs and Class
4 Members were each intended third-party beneficiaries of the Defective Cranksets or
5 Class Bicycles equipped with Defective Cranksets sold through independent retailers.
6 The retailers were not intended to be the ultimate consumers of the Defective
7 Cranksets or Class Bicycles equipped with Defective Cranksets and have no rights
8 under the warranty provided with the Defective Cranksets or Class Bicycles equipped
9 with Defective Cranksets.

10 458. Alternatively, privity of contract is satisfied because Plaintiffs and Class
11 Members purchased the Defective Cranksets or Class Bicycles equipped with
12 Defective Cranksets from retailers who were the exclusive retail sellers of
13 Defendant's products and/or acted as agents of the Defendants.

14 459. Plaintiffs and Class Members did not receive or otherwise have the
15 opportunity to review, at or before the time of sale, any purported warranty exclusions
16 and limitations of remedies. Accordingly, any such exclusions and limitations of
17 remedies are unconscionable and unenforceable.

18 460. As a direct and proximate result of Defendant's breach of their express
19 warranties, the Defective Cranksets or Class Bicycles equipped with Defective
20 Cranksets were and are defective and the Crankset Defect was not remedied.
21 Therefore, Plaintiffs and Class Members have been damaged, in an amount to be
22 proven at trial, through their overpayment at the time of purchase for the Defective
23 Cranksets or Class Bicycles equipped with Defective Cranksets with an undisclosed
24 safety defect that would not be remedied.

25 **B. COUNT XV: BREACH OF IMPLIED WARRANTY OF**
26 **MERCHANTABILITY (FLA. STAT. § 672.314)**

27 (Against Shimano, Trek, and Giant)

1 461. Plaintiffs reallege and incorporate by reference each of the allegations in
2 Paragraphs 1-158, above, as though fully set forth herein.

3 462. Plaintiffs Bongiovanni, Scorsolini, and Tirado brings this count under
4 Florida law, individually and on behalf of the other members of the Florida Subclass
5 against Shimano and Giant for their respective Class Bicycles and Defective
6 Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class
7 Bicycles or Defective Cranksets in states with materially similar laws may represent
8 Subclasses under this count against all other Defendants.

9 463. For purposes of this count, Plaintiffs Bongiovanni, Scorsolini, and
10 Tirado be referred to as “Plaintiffs,” and members of the Florida Subclass shall be
11 referred to as “Class Members.” For purposes of this count, Shimano and Giant shall
12 be referred to as “Defendants.”

13 464. The Defective Cranksets and the Class Bicycles are “goods” under Fla.
14 Stat. §672.105(1).

15 465. Defendants are “merchants” and “sellers” of the Defective Cranksets and
16 Class Bicycles under Fla. Stat. Code §§ 672.104(1), and 672.103(1)(d), respectively.

17 466. Plaintiffs and Class Members who purchased the Defective Cranksets
18 and Class Bicycles in Florida are “buyers” under Fla. Stat. § 672.103(1)(a).

19 467. Florida law conferred an implied warranty that the Defective Cranksets
20 and Class Bicycles were in merchantable condition and fit for the ordinary purpose
21 for which they were to be used pursuant to Fla. Stat. § 672.314.

22 468. The Defective Cranksets and Class Bicycles are not merchantable and,
23 as such, Defendants breached their implied warranties, because at the time of sale and
24 all times thereafter:

- 25 a. The Class Bicycles and Defective Cranksets suffer from a safety defect
26 that renders them unsafe to ride and/or operate;
27
28

- b. The Defective Cranksets and the Class Bicycles would not pass without objection in the bicycle trade given the Crankset Defect;
- c. The Crankset Defect renders the Defective Cranksets and Class Bicycles unsafe to ride and unfit for ordinary purposes; and
- d. The Crankset Defect affects the central functionality of the Class Bicycles and Defective Cranksets.

469. Due to the Crankset Defect, Plaintiffs and Class Members cannot operate their Class Bicycles and Defective Cranksets as intended, substantially free from defects. The Class Bicycles and Defective Cranksets do not provide a safe and reliable way to propel a bicycle forward and pose a serious risk of injury, including crashing, bone fracture, laceration, and death. As a result, Plaintiffs and Class Members cannot use their Class Bicycles and Defective Cranksets for the purposes for which they purchased them.

470. Plaintiffs and Class Members timely provided Defendants notice of the issues raised in this count and this Complaint and an opportunity to cure, as alleged in the paragraphs addressing Defendants' notice, above.

471. Alternatively, Plaintiffs and Class Members were excused from providing Defendants with notice and an opportunity to cure the breach, because it would have been futile. As alleged above, Defendants knew about the Crankset Defect for years. Moreover, although Defendants issued a recall, that recall is inadequate because, *inter alia*: (a) it is belated because Defendants knew about the Defective Cranksets, including the Defective Cranksets installed in Class Bicycles, for years and did nothing to recall or remedy the serious safety defect; (b) with hundreds of thousands of Class Bicycles and Defective Cranksets impacted in existing and potential future recalls, as a result of Defendants' misrepresentations about and omission/concealment of the Crankset Defect, the recalls cannot be implemented

effectively due to supply constraints and resulting delays; and (c) the recalls are incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

472. Plaintiffs and Class Members have had sufficient direct dealings with Defendants or their agents (retailers) to establish privity of contract between Plaintiffs and Class Members. Notwithstanding this, privity is not required in this case because Plaintiffs and Class Members are intended third-party beneficiaries of contracts between Defendants and their agents; specifically, they are the intended beneficiaries of Defendants' implied warranties. The retailers were not intended to be the ultimate consumers of the Class Bicycles or Defective Cranksets and have no rights under the warranty agreements provided with the Class Bicycles; the warranty agreements were designed for and intended to benefit the ultimate consumers only. Finally, privity is also not required because Plaintiffs' and Class Members' Class Bicycles and Defective Cranksets are dangerous instrumentalities due to the aforementioned defects and nonconformities.

473. Plaintiffs, individually and on behalf Class Members, seeks all available monetary damages (including actual, compensatory, and punitive damages), injunctive and equitable relief, and attorneys' fees and costs.

C. COUNT XVI: VIOLATIONS OF THE FLORIDA DECEPTIVE & UNFAIR TRADE PRACTICES ACT (FLA. STAT. §§ 501.201, ET SEQ.)

(Against Shimano, Trek, Giant)

474. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-158, above, as though fully set forth herein.

475. Plaintiffs Bongiovanni, Scorsolini, and Tirado brings this count under Florida law, individually and on behalf of the other members of the Florida Subclass against Shimano and Giant for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class

1 Bicycles or Defective Cranksets in states with materially similar laws may represent
2 Subclasses under this count against all other Defendants.

3 476. For purposes of this count, Plaintiffs Bongiovanni, Scorsolini, and
4 Tirado shall be referred to as “Plaintiffs,” and members of the Florida Subclass shall
5 be referred to as “Class Members.” For purposes of this count, Shimano and Giant
6 shall be referred to as “Defendants.”

7 477. Plaintiffs and Class Members are “consumers” under Fla. Stat.
8 §501.203(7) because they purchased the Defective Cranksets and/or Class Bicycles
9 primarily for personal, family, or household use.

10 478. Defendants were and are engaged in “trade or commerce” under the
11 meaning of Fla. Stat. § 501.203(8).

12 479. The Florida Unfair and Deceptive Trade Practices Act (“Florida
13 UDTPA”) prohibits “[u]nfair methods of competition, unconscionable acts or
14 practices, and unfair or deceptive acts or practices in the conduct of any trade or
15 commerce.” Fla. Stat. § 501.204(1).

16 480. Defendants’ violations of the Florida UDTPA occurred repeatedly in
17 their trade or practice – including the design, manufacture, distribution, marketing,
18 and sale of the Defective Cranksets and the Class Bicycles.

19 481. Defendants, through their agents, employees, and/or subsidiaries,
20 violated the Florida UDTPA by knowingly and intentionally misrepresenting,
21 omitting, concealing, and/or failing to disclose material facts regarding the reliability,
22 safety, and performance of the Class Bicycles and the Defective Cranksets, as detailed
23 above.

24 482. As set forth herein, Defendants engaged in deceptive acts by knowingly
25 misrepresenting and concealing or omitting from Plaintiffs and Class Members that
26 the Class Bicycles and Defective Cranksets suffer from the Crankset Defect (and the
27 costs, risks, and diminished value of the Class Bicycles and Defective Cranksets as a
28

1 result). Defendants knew that the Class Bicycles and Defective Cranksets were
2 defectively designed, posed an unreasonable safety risk, and unsuitable for their
3 intended use.

4 483. Defendants had an ongoing duty to Plaintiffs and Class Members to
5 refrain from unfair or deceptive practices under the Florida UDTPA in the course of
6 their business. Specifically, Defendants owed Plaintiffs and Class Members a duty to
7 disclose all the material facts concerning the Defective Cranksets and the Defective
8 Cranksets in the Class Bicycles because:

- 9 a. Given the Defendants' role in the design, manufacture, testing, and sale
10 of the Class Bicycles and Defective Cranksets, and their experience and
11 knowledge as experts and long-time veterans of the bicycle industry,
12 they possessed exclusive access to and were in a superior position to
13 know the true facts about the Class Bicycles and Defective Cranksets;
- 14 b. Given Shimano's design, development, testing and manufacture of the
15 Defective Cranksets and its experience and knowledge as an expert and
16 long-time veteran of the bicycle industry, it, along with the Bicycle
17 Manufacturer Defendants, possessed exclusive access to and was in a
18 superior position to know the true facts about the Defective Cranksets;
- 19 c. Defendants knew that the Class Bicycles and Defective Cranksets gave
20 rise to serious safety concerns for the consumers who purchased the
21 Class Bicycles and Defective Cranksets;
- 22 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and
23 Class Members lacked the sophisticated expertise in bicycle and
24 crankset components and design and technology necessary to discover
25 that the Class Bicycles and Defective Cranksets were defective;
- 26
27
28

- 1 e. Plaintiffs and the Class Members could not reasonably have been
2 expected to learn or discover that the Class Bicycles and Defective
3 Cranksets had a safety defect before purchase;
- 4 f. Defendants knew that Plaintiffs and Class Members could not
5 reasonably have been expected to learn or discover the defect and the
6 associated repair or replacement costs;
- 7 g. Defendants knew that the Class Bicycles and Defective Cranksets, and
8 the defect therein, gave rise to serious safety concerns for consumers
9 who purchased them;
- 10 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
11 in that, among other things, the Defective Cranksets can break during
12 normal use and riding, causing loss of balance and accidents that can lead
13 to severe and potentially fatal injuries;
- 14 i. Defendants knew about and investigated the Crankset Defect, but then
15 did not notify consumers about it, disclose the Crankset Defect to CPSC,
16 or further launch a comprehensive recall for all Class Bicycles and
17 Defective Cranksets, which individually and together deprived Plaintiffs
18 of an opportunity that otherwise could have led them to discover the truth
19 about the Crankset Defect in their Class Bicycles and Defective
20 Cranksets;
- 21 j. Defendants actively concealed the defect and the associated repair and
22 replacement costs by responding to negative reviews and inquiries
23 without disclosing the defect, asserting that the Class Bicycles and
24 Defective Cranksets were not defective, asserting that non-design factors
25 caused problems with the Defective Cranksets, and replacing defectively
26 designed Class Bicycles and Defective Cranksets with identical
27 defectively designed Class Bicycles and Defective Cranksets; and
28

1 k. Defendants made, helped to make, or conspired to make partial and
2 incomplete representations about strength, safety, quality, durability,
3 dependability and reliability of the Class Bicycles and Defective
4 Cranksets, while purposefully withholding material facts about a known
5 safety defect. Because they volunteered to provide information about the
6 Class Bicycles and Defective Cranksets that they marketed and offered
7 for sale to consumers, Defendants had the duty to disclose the whole
8 truth.

9 484. By misrepresenting the Class Bicycles and Defective Cranksets as
10 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free
11 from defects, and/or by failing to disclose and actively concealing the dangers and
12 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in
13 unfair methods of competition and unfair or deceptive acts or practices in the conduct
14 of trade or commerce, as prohibited by Fla. Stat. § 501.204(1).

15 485. Defendants' unfair or deceptive acts or practices, including their
16 misrepresentations, concealments, omissions, and/or suppressions of material facts,
17 were designed to mislead and had a tendency or capacity to mislead and create a false
18 impression in consumers that the Class Bicycles and Defective Cranksets were strong,
19 safe, dependable, durable and reliable, and had properly-functioning cranksets that
20 would properly function and be reliable. Defendants' misrepresentations,
21 concealments, omissions, and suppressions of material facts did, in fact, deceive
22 reasonable consumers, including Plaintiffs and Class Members, about the true safety,
23 strength, dependability, durability, and reliability of the Class Bicycles and Defective
24 Cranksets

25 486. Defendants intended for Plaintiffs and Class Members to rely on their
26 misrepresentations, omissions, and concealment – which they did by purchasing the
27 Defective Cranksets and Class Bicycles at the prices they paid believing that their
28

1 Defective Cranksets and Class Bicycles would not have a Crankset Defect that would
2 affect the strength, quality, durability, dependability, reliability, and safety of the
3 Class Bicycles and the Defective Cranksets.

4 487. Defendants' misrepresentations, concealments, omissions, and
5 suppressions of material facts regarding the Crankset Defect and true characteristics
6 of the Defective Cranksets and Class Bicycles were material to the decisions of
7 Plaintiffs and Class Members to purchase those cranksets and bicycles, as Defendants
8 intended. Plaintiffs and Class Members were exposed to those misrepresentations,
9 concealments, omissions, and suppressions of material facts, and relied on
10 Defendants' misrepresentations that the Class Bicycles and their Defective Cranksets
11 were safe and reliable in deciding to purchase the Class Bicycles and Defective
12 Cranksets.

13 488. Plaintiffs' and Class Members' reliance was reasonable, as they had no
14 way of discerning that Defendants' representations were false and misleading, or
15 otherwise learning the facts that Defendants had concealed or failed to disclose.
16 Plaintiffs and Class Members did not, and could not, unravel Defendants' deception
17 on their own.

18 489. A reasonable consumer would have considered them important in
19 deciding whether to purchase Defendants' Class Bicycles and Defective Cranksets or
20 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and
21 the Class members would not have purchased the Defective Cranksets and/or Class
22 Bicycles, or would have paid significantly less for them.

23 490. Defendants could have and should have prominently disclosed the
24 defect on the product listings on its website, on product packaging, and to third-party
25 retailers. Had Defendants disclosed the Crankset Defect in this manner, Plaintiffs,
26 Class Members and reasonable consumers would have been aware of it.

1 491. Defendants profited from selling the falsely, deceptively, and unlawfully
2 advertised Class Bicycles and Defective Cranksets to unwary purchasers.

3 492. As a direct and proximate result of Defendants' deceptive practices,
4 Plaintiffs and Class Members have sustained economic injury and loss – either by
5 purchasing a crankset or bicycle they otherwise would not have purchased or paying
6 more than they otherwise would have as a result of Defendants' actions and omissions
7 alleged above – that first occurred at the time each Defective Crankset and/or Class
8 Bicycle was purchased.

9 493. Defendants' violations present a continuing risk to Plaintiffs and Class
10 Members, as well as to the general public, because the Class Bicycles and Defective
11 Cranksets remain unsafe due to the Crankset Defect therein. Defendants' unlawful
12 acts and practices complained of herein affect the public interest.

13 494. Pursuant to Fla. Stat. § 501.211, Plaintiffs and Class Members seek an
14 order enjoining the above unfair or deceptive acts or practices and awarding actual
15 damages, treble damages, restitution, attorneys' fees, and any other just and proper
16 relief available under the Florida UDTPA against all Defendants.

17 **D. COUNT XVII: FRAUD**

18 (Against Shimano, Trek, and Giant)

19 495. Plaintiffs reallege and incorporate by reference each of the allegations in
20 Paragraphs 1-158, above, as though fully set forth herein.

21 496. Plaintiffs Bongiovanni, Scorsolini, and Tirado brings this count under
22 Florida law, under both the misrepresentation and omission/concealment theories,
23 under Florida law, individually and on behalf of the Florida Subclass against Shimano
24 and Giant for their respective Class Bicycles and Defective Cranksets. For the
25 remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective
26 Cranksets in states with materially similar laws may represent Subclasses under this
27 count against all other Defendants.
28

1 497. For purposes of this count, Plaintiffs Bongiovanni, Scorsolini, and
2 Tirado shall be referred to as “Plaintiffs,” and members of the Florida Subclass shall
3 be referred to as “Class Members.” For purposes of this count, Shimano and Giant
4 shall be referred to as “Defendants.”

5 **1. Affirmative Misrepresentation**

6 498. Defendants represented and marketed the Class Bicycles and Defective
7 Cranksets as strong, of high-quality, durable, dependable, and reliable. These
8 representations are understood by consumers to mean that the Class Bicycles and
9 Defective Cranksets are “safe” for ordinary use.

10 499. The strength, quality, durability, dependability and reliability of the
11 Defective Cranksets and the Class Bicycles in which the Defective Cranksets were
12 installed were material facts because a reasonable person would find it important in
13 purchasing or retaining a new or used bicycle and because it directly impacts the value
14 of the Class Bicycles and Defective Cranksets purchased by Plaintiffs and Class
15 Members.

16 500. Defendants’ representations regarding the Defective Cranksets and Class
17 Bicycles’ strength, quality, durability, dependability and reliability—all terms that
18 signal “safety” in the cycling community—were false because the Class Bicycles and
19 Defective Cranksets contain the Crankset Defect that causes the cranksets to break
20 during normal use. In doing so, the presence of the Crankset Defect makes the
21 Defective Cranksets and Class Bicycles unsafe for normal use.

22 501. Defendants knew that their representations were false and intended
23 Plaintiffs and Class Members to rely on them. —which they did by purchasing the
24 Class Bicycles and Defective Cranksets at the prices they paid believing that they
25 would not have a Crankset Defect that would affect the quality, reliability, durability,
26 strength and safety of the Class Bicycles and Defective Cranksets.

1 502. Plaintiffs' and Class Members' reliance was reasonable because a
2 reasonable consumer would not have expected that the Class Bicycles and Defective
3 Cranksets contained a safety defect that poses such a serious risk. They had no way
4 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and
5 Class Members did not, and could not, unravel Defendants' deception on their own.

6 503. Had Plaintiffs and Class Members known of the Crankset Defect within
7 the Class Bicycles or Defective Cranksets, they would not have purchased the Class
8 Bicycles or Defective Cranksets or would have paid less for them.

9 504. As a direct and proximate result of Defendants' omissions and
10 concealment, Plaintiffs and other Class Members either overpaid for the Class
11 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or
12 Defective Cranksets at all if the Crankset Defect had been disclosed to them.
13 Accordingly, Defendants are liable to Plaintiffs and Class Members for their damages
14 in an amount to be proven at trial.

15 505. Defendants acted maliciously, oppressively, deliberately, with intent to
16 defraud; in reckless disregard of the Plaintiffs' and Class Members' rights and well-
17 being; and to enrich themselves. Defendants' misconduct warrants an assessment of
18 punitive damages, as permitted by law, in an amount sufficient to deter such conduct
19 in the future, which amount shall be determined according to proof at trial.

20 **2. Omission/Concealment**

21 506. Defendants are liable for fraud by omission, concealment, and/or non-
22 disclosure. *See, e.g.*, Restatement (Second) of Torts §§ 550-51 (1977).

23 507. Defendants owed Plaintiffs and Class Members a duty to disclose all the
24 material facts concerning the Defective Cranksets in the Class Bicycles and Defective
25 Cranksets because:

- 26 a. Given the Defendants' role in the design, manufacture, pre-sale testing,
27 sale, and post-sale monitoring of the Class Bicycles and Defective
28

1 Cranksets, and their experience and knowledge as experts and long-time
2 veterans of the bicycle industry, they possessed exclusive access to and
3 were in a superior position to know the true facts about the Class
4 Bicycles and Defective Cranksets;

5 b. Given Shimano's design, development, testing and manufacture of the
6 Defective Cranksets and its experience and knowledge as an expert and
7 long-time veteran of the bicycle industry, it, along with the Bicycle
8 Manufacturer Defendants, possessed exclusive access to and was in a
9 superior position to know the true facts about the Defective Cranksets,
10 including their component parts, design, adhesive properties, and other
11 information not known to Plaintiffs or Class Members;

12 c. Defendants knew that the Class Bicycles and Defective Cranksets gave
13 rise to serious safety concerns for the consumers who purchased the
14 Class Bicycles and Defective Cranksets;

15 d. Given the Crankset Defect's hidden, proprietary, and technical nature,
16 Plaintiffs and Class Members lacked the sophisticated expertise in
17 bicycle and crankset components and design and technology necessary
18 to discover that the Class Bicycles and Defective Cranksets were
19 defective;

20 e. Plaintiffs and the Class Members could not reasonably have been
21 expected to learn or discover that the Class Bicycles and Defective
22 Cranksets had a safety defect before purchase;

23 f. Defendants knew that Plaintiffs and Class Members could not reasonably
24 have been expected to learn or discover the defect and the associated
25 repair or replacement costs;

- 1 g. Defendants knew that the Class Bicycles and Defective Cranksets, and
2 the defect therein, gave rise to serious safety concerns for consumers
3 who purchased them;
- 4 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
5 in that, among other things, the Defective Cranksets can break during
6 normal use and riding, causing loss of balance and accidents that can lead
7 to severe and potentially fatal injuries;
- 8 i. Defendants knew about and investigated the Crankset Defect, but then
9 did not notify consumers about it, disclose the Crankset Defect to CPSC,
10 or further launch a comprehensive recall for all Class Bicycles and
11 Defective Cranksets, which individually and together deprived Plaintiffs
12 of an opportunity that otherwise could have led them to discover the truth
13 about the Crankset Defect in their Class Bicycles and Defective
14 Cranksets;
- 15 j. Defendants actively concealed the defect and the associated repair and
16 replacement costs by responding to negative reviews and inquiries
17 without disclosing the defect, asserting that the Class Bicycles and
18 Defective Cranksets were not defective, asserting that non-design factors
19 caused problems with the Defective Cranksets, and replacing defectively
20 designed Class Bicycles and Defective Cranksets with identical
21 defectively designed Class Bicycles and Defective Cranksets; and
- 22 k. Defendants made, helped to make, or conspired to make partial and
23 incomplete representations about strength, safety, quality, durability,
24 dependability and reliability of the Class Bicycles and Defective
25 Cranksets, while purposefully withholding material facts about a known
26 safety defect. Because they volunteered to provide information about the
27 Class Bicycles and Defective Cranksets that they marketed and offered
28

1 for sale to consumers, Defendants had the duty to disclose the whole
2 truth.

3 508. In breach of their duties, Defendants failed to disclose the Crankset
4 Defect and that the Class Bicycles and Defective Cranksets were not strong, safety,
5 high-quality, durable, or free of defects to Plaintiffs and Class Members in connection
6 with the sale of the Class Bicycles and Defective Cranksets.

7 509. The Crankset Defect within the Class Bicycles and Defective Cranksets
8 is material to the sale of the of the Class Bicycles and Defective Cranksets because a
9 reasonable person would find it important in purchasing or retaining a new or used
10 bicycle and because it directly impacts the value of the Class Bicycles and Defective
11 Cranksets purchased by Plaintiffs and Class Members.

12 510. Defendants intended for Plaintiffs and Class Members to rely on their
13 omissions and concealment—which they did by purchasing the Class Bicycles and
14 Defective Cranksets at the prices they paid believing that they would not have a
15 Crankset Defect that would affect the quality, reliability, durability, strength and
16 safety of the Class Bicycles and Defective Cranksets.

17 511. Plaintiffs' and Class Members' reliance was reasonable because a
18 reasonable consumer would not have expected that the Class Bicycles and Defective
19 Cranksets contained a safety defect that poses such a serious risk. They had no way
20 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and
21 Class Members did not, and could not, unravel Defendants' deception on their own.

22 512. Defendants actively concealed and suppressed these material facts, in
23 whole or in part, to maintain a market for the Class Bicycles and Defective Cranksets
24 installed in them, and the Defective Cranksets themselves, to protect profits, and to
25 avoid costly recalls that would expose them to liability for those expenses and harm
26 the commercial reputations of Defendants and their products. They did so at the
27 expense of Plaintiffs and Class Members.
28

1 513. If Defendants had fully and adequately disclosed the Crankset Defect to
2 consumers, Plaintiffs and Class Members would have seen such a disclosure.

3 514. Through their omissions and concealment with respect to the Crankset
4 Defect within the Class Bicycles and Defective Cranksets, Defendants intended to
5 induce, and did induce, Plaintiffs and Class Members to either purchase a Class
6 Bicycle or a Defective Crankset that they otherwise would not have purchased, or pay
7 more for than they otherwise would have paid for a Class Bicycle or Defective
8 Crankset.

9 515. Had Plaintiffs and Class Members known of the Crankset Defect within
10 the Class Bicycles or Defective Cranksets, they would not have purchased the Class
11 Bicycles or Defective Cranksets or would have paid less for them.

12 516. As a direct and proximate result of Defendants' omissions and
13 concealment, Plaintiffs and other Class Members either overpaid for the Class
14 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or
15 Defective Cranksets at all if the Crankset Defect had been disclosed to them.
16 Accordingly, Defendants are liable to Plaintiffs and Class Members for their damages
17 in an amount to be proven at trial.

18 517. Defendants acted maliciously, oppressively, deliberately, with intent to
19 defraud; in reckless disregard of the Plaintiffs' and Class Members' rights and well-
20 being; and to enrich themselves. Defendants' misconduct warrants an assessment of
21 punitive damages, as permitted by law, in an amount sufficient to deter such conduct
22 in the future, which amount shall be determined according to proof at trial.

23 **E. COUNT XVIII: UNJUST ENRICHMENT**

24 (Against Shimano, Trek, and Giant)

25 518. Plaintiffs reallege and incorporate by reference each of the allegations in
26 Paragraphs 1-158, above, as though fully set forth herein.

1 519. Plaintiffs Bongiovanni, Scorsolini, and Tirado brings this count under
2 Florida law, individually and on behalf of the other members of the Florida Subclass
3 against Shimano and Giant for their respective Class Bicycles and Defective
4 Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class
5 Bicycles or Defective Cranksets in states with materially similar laws may represent
6 Subclasses under this count against all other Defendants.

7 520. For purposes of this count, Plaintiffs Bongiovanni, Scorsolini, and
8 Tirado shall be referred to as “Plaintiffs,” and members of the Florida Subclass shall
9 be referred to as “Class Members.” For purposes of this count, Shimano and Giant
10 shall be referred to as “Defendants.”

11 521. When they purchased the Class Bicycles or Defective Cranksets,
12 Plaintiffs and Class Member conferred a tangible and material economic benefits on
13 Defendants. Defendants readily accepted and retained the benefits.

14 522. Plaintiffs and Class Members would not have purchased the Defective
15 Cranksets or Class Bicycles, or would have paid less for them, had they known of the
16 Crankset Defect at the time of purchase. Therefore, Defendants profited from the sale
17 of the Defective Cranksets and Class Bicycles to the detriment and expense of
18 Plaintiffs and Class Members.

19 523. Defendants knew or should have known that the payments rendered by
20 Plaintiffs and Class Members were given with the expectation that the Class Bicycles
21 and Defective Cranksets would have the qualities, characteristics, and suitability for
22 use represented and warranted by Defendants. Defendants appreciated the economic
23 benefits. The benefits were the expected result of Defendants acting in their own
24 pecuniary interest at the expense of Plaintiffs and Class members. Defendants knew
25 of the benefits they were receiving because they were aware of the Crankset Defect
26 in the Class Bicycles and Defective Cranksets, yet they failed to disclose this
27 knowledge and misled Plaintiffs and Class Members regarding the nature and quality
28

1 of the Class Bicycles and Defective Cranksets while profiting from their deception.
2 As such, it would be unjust, inequitable, and unconscionable for Defendants to retain
3 the benefit of the payments under these circumstances.

4 524. By their wrongful acts and omissions described herein, including selling
5 the Class Bicycles and Defective Cranksets which contain the Crankset Defect,
6 Defendants were unjustly enriched at the expense of Plaintiffs and Class Members.

7 525. Plaintiffs' and Class Members' detriment and Defendants' enrichment
8 were related to and flowed from the wrongful conduct challenged in this Complaint.

9 526. Defendants have profited from their unlawful, unfair, misleading, and
10 deceptive practices at the expense of Plaintiffs and Class Members. It would be unjust,
11 inequitable and unconscionable for Defendants to retain the profits, benefits, and other
12 compensation obtained from their wrongful conduct alleged herein.

13 527. Defendants have been unjustly enriched in retaining the revenues derived
14 from Plaintiffs' and Class Members' purchases of Class Bicycles and Defective
15 Cranksets, which retention of such revenues under these circumstances is unjust and
16 inequitable because Defendants manufactured the Class Bicycles and Defective
17 Cranksets, and Defendants affirmatively misrepresented and omitted and/or
18 concealed the nature of the Class Bicycles and Defective Cranksets, and knowingly
19 marketed and promoted dangerous and Class Bicycles and Defective Cranksets,
20 which injured Plaintiffs and Class Members because they would not have purchased
21 the Class Bicycles and Defective Cranksets based on the exact representations if the
22 true facts concerning the Class Bicycles and Defective Cranksets had been known.

23 528. Plaintiffs and putative Class Members are entitled to restitution and to
24 recover from Defendants all amounts wrongfully collected and improperly retained
25 by Defendants in the amount necessary to return Plaintiffs and Class Members to the
26 position they occupied prior to dealing with Defendants, with such amounts to be
27 determined at trial.

1 535. All Class Members who purchased Defective Cranksets and Class
2 Bicycles in Illinois are “buyers” within the meaning of 810 Ill. Comp. Stat. 5/2-
3 103(1)(a).

4 536. The Defective Cranksets and Class Bicycles are and were at all relevant
5 times “goods” within the meaning of 810 Ill. Comp. Stat. 5/2-105(1).

6 537. Defendant issued an express written warranty for each Defective
7 Crankset they sold (including Defective Cranksets equipped in Class Bicycles),
8 including that:

- 9 a. The Defective Cranksets would be “free of defects in materials and
10 workmanship” at the time of sale;⁴² and
11 b. The Defective Cranksets were strong, high quality, safe, durable,
12 dependable, and reliable, and their cranksets would function properly
13 during the operation of the bicycles.

14 538. The warranties listed above formed the basis of the bargain with regard
15 to Plaintiffs’ and Class Members’ purchase of the Defective Cranksets or Class
16 Bicycles equipped with Defective Cranksets.

17 539. Defendant knowingly breached its warranty for the Defective Cranksets
18 or Class Bicycles equipped with Defective Cranksets because:

- 19 a. The Defective Cranksets or Class Bicycles equipped with Defective
20 Cranksets have latent defects which have a dangerous propensity to
21 cause the bonded crank parts to separate and break, subjecting Plaintiffs
22 and Class Members to the risk of loss and injury; and
23 b. Defendant denied, concealed, and misrepresented (affirmatively and by
24 omission) the Crankset Defect, in the process of refusing to pay for or
25

26
27 ⁴² Shimano Warranty Policy, [https://ride.shimano.com/pages/shimano-warranty-](https://ride.shimano.com/pages/shimano-warranty-policy)
28 [policy](https://ride.shimano.com/pages/shimano-warranty-policy), last accessed on December 29, 2023.

1 provide, in a reasonably timely fashion, the needed repairs and
2 replacements for Plaintiffs and Class Members.

3 540. Defendant knew or should have known that the warranties were false
4 and/or misleading. Specifically, Defendant was aware of the Crankset Defect, which
5 made the Defective Cranksets or Class Bicycles equipped with Defective Cranksets
6 inherently defective and dangerous at the time that they were sold to Plaintiffs and
7 Class Members.

8 541. Plaintiffs and Class Members were exposed to Defendant's
9 misrepresentations and omissions/concealment, and they had no way of discerning
10 that Defendant's representations and omissions/concealment were false and
11 misleading or otherwise learning the material facts that Defendants had concealed or
12 failed to disclose. Accordingly, Plaintiffs and Class Members reasonably relied on
13 Defendant's express warranties when purchasing the Defective Cranksets or Class
14 Bicycles equipped with Defective Cranksets.

15 542. Plaintiffs and Class Members timely provided the Defendant notice of
16 the issues raised in this count and this Complaint and an opportunity to cure, as alleged
17 in the paragraphs addressing Defendant's notice, above.

18 543. Alternatively, Plaintiffs and Class Members were excused from
19 providing Defendant with notice and an opportunity to cure the breach, because it
20 would have been futile. As alleged above, Defendant knew about the Crankset Defect
21 for years. Moreover, although Defendant issued a recall, that recall is inadequate
22 because, inter alia: (a) it is belated because Defendant knew about the Defective
23 Cranksets, including Defective Cranksets included in Class Bicycles, for years and
24 did nothing to recall or remedy the serious safety defect; (b) with hundreds of
25 thousands of Class Bicycles and Defective Cranksets impacted in existing and
26 potential future recalls, as a result of Defendant's misrepresentations about and
27 omission/concealment of the Crankset Defect, the recalls cannot be implemented
28

1 effectively due to supply constraints and resulting delays; and (c) the recalls are
2 incomplete, and apply to only a subset of the Defective Cranksets or Class Bicycles
3 equipped with Defective Cranksets.

4 544. Privity of contract is not required here because Plaintiffs and Class
5 Members were each intended third-party beneficiaries of the Defective Cranksets or
6 Class Bicycles equipped with Defective Cranksets sold through independent retailers.
7 The retailers were not intended to be the ultimate consumers of the Defective
8 Cranksets or Class Bicycles equipped with Defective Cranksets and have no rights
9 under the warranty provided with the Defective Cranksets or Class Bicycles equipped
10 with Defective Cranksets.

11 545. Alternatively, privity of contract is satisfied because Plaintiffs and Class
12 Members purchased the Defective Cranksets or Class Bicycles equipped with
13 Defective Cranksets from retailers who were the exclusive retail sellers of
14 Defendant's products and/or acted as agents of the Defendants.

15 546. Plaintiffs and Class Members did not receive or otherwise have the
16 opportunity to review, at or before the time of sale, any purported warranty exclusions
17 and limitations of remedies. Accordingly, any such exclusions and limitations of
18 remedies are unconscionable and unenforceable.

19 547. As a direct and proximate result of Defendant's breach of their express
20 warranties, the Defective Cranksets or Class Bicycles equipped with Defective
21 Cranksets were and are defective and the Crankset Defect was not remedied.
22 Therefore, Plaintiffs and Class Members have been damaged, in an amount to be
23 proven at trial, through their overpayment at the time of purchase for the Defective
24 Cranksets or Class Bicycles equipped with Defective Cranksets with an undisclosed
25 safety defect that would not be remedied.

**B. COUNT XX: BREACH OF IMPLIED WARRANTY OF
MERCHANTABILITY (801 ILL. COMP. STAT. 5/2-314)**

(Against Shimano, Specialized, and Giant)

548. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-158, above, as though fully set forth herein.

549. Plaintiffs Lewis and Semizarov bring this count under Illinois law, individually and on behalf of the other members of the Illinois Subclass against Shimano and Specialized for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with materially similar laws may represent Subclasses under this count against all other Defendants.

550. For purposes of this count, Plaintiffs Lewis and Semizarov shall be referred to as “Plaintiffs,” and members of the Illinois Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano and Specialized shall be referred to as “Defendants.”

551. A warranty that the Defective Cranksets and Class Bicycles were in merchantable condition and fit for the ordinary purpose for which such goods are used is implied by law pursuant to 810 Ill. Comp. Stat. 5/2-314.

552. Defendants are and were at all relevant times “merchants” with respect to bicycles under 810 Ill. Comp. Stat. 5/2-104(1), and a “seller” of bicycles under 5/2-103(1)(d).

553. All Class Members who purchased Defective Cranksets and/or Class Bicycles in Illinois are “buyers” within the meaning of 810 Ill. Comp. Stat. 5/2-103(1)(a).

554. The Class Bicycles and Defective Cranksets are and were at all relevant times “goods” within the meaning of 810 Ill. Comp. Stat. 5/2-105(1).

1 555. The Defective Cranksets and Class Bicycles are not merchantable and,
2 as such, Defendants breached their implied warranties, because at the time of sale and
3 all times thereafter:

- 4 a. The Class Bicycles and Defective Cranksets suffer from a safety defect
5 that renders them unsafe to ride and/or operate;
6 b. The Defective Cranksets and the Class Bicycles would not pass without
7 objection in the bicycle trade given the Crankset Defect;
8 c. The Crankset Defect renders the Defective Cranksets and Class Bicycles
9 unsafe to ride and unfit for ordinary purposes; and
10 d. The Crankset Defect affects the central functionality of the Class
11 Bicycles and Defective Cranksets.

12 556. Due to the Crankset Defect, Plaintiffs and Class Members cannot operate
13 their Class Bicycles and Defective Cranksets as intended, substantially free from
14 defects. The Class Bicycles and Defective Cranksets do not provide a safe and reliable
15 way to propel a bicycle forward and pose a serious risk of injury, including crashing,
16 bone fracture, laceration, and death. As a result, Plaintiffs and Class Members cannot
17 use their Class Bicycles and Defective Cranksets for the purposes for which they
18 purchased them.

19 557. Plaintiffs and Class Members timely provided Defendants notice of the
20 issues raised in this count and this Complaint and an opportunity to cure, as alleged
21 in the paragraphs addressing Defendants' notice, above.

22 558. Alternatively, Plaintiffs and Class Members were excused from
23 providing Defendants with notice and an opportunity to cure the breach, because it
24 would have been futile. As alleged above, Defendants knew about the Crankset Defect
25 for years. Moreover, although Shimano issued a recall, that recall is inadequate
26 because, inter alia: (a) it is belated because Defendants knew about the Defective
27 Cranksets, including the Defective Cranksets installed in Class Bicycles, for years and
28

1 did nothing to recall or remedy the serious safety defect; (b) with hundreds of
2 thousands of Class Bicycles and Defective Cranksets impacted in existing and
3 potential future recalls, as a result of Defendants' misrepresentations about and
4 omission/concealment of the Crankset Defect, the recalls cannot be implemented
5 effectively due to supply constraints and resulting delays; and (c) the recalls are
6 incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

7 559. Plaintiffs and Class Members have had sufficient direct dealings with
8 Defendants or their agents (retailers) to establish privity of contract between Plaintiffs
9 and Class Members. As alleged in the preceding paragraphs, Defendant Shimano
10 made several statements about the strength and durability of its products (and thus,
11 the safety of its products), including the Defective Crankset, such that Plaintiffs were
12 induced to rely on Shimano's assurances in making their purchases. Notwithstanding
13 this, privity is not required in this case because Plaintiffs and Class Members are
14 intended third-party beneficiaries of contracts between Defendants and their agents;
15 specifically, they are the intended beneficiaries of Defendants' implied warranties.
16 The retailers were not intended to be the ultimate consumers of the Class Bicycles or
17 Defective Cranksets and have no rights under the warranty agreements provided with
18 the Class Bicycles; the warranty agreements were designed for and intended to benefit
19 the ultimate consumers only. Finally, privity is also not required because Plaintiffs'
20 and Class Members' Class Bicycles and Defective Cranksets are dangerous
21 instrumentalities due to the aforementioned defects and nonconformities.

22 560. Plaintiffs, individually and on behalf Class Members, seeks all available
23 monetary damages (including actual, compensatory, and punitive damages),
24 injunctive and equitable relief, and attorneys' fees and costs.

C. **COUNT XXI: VIOLATION OF ILLINOIS CONSUMER FRAUD AND
DECEPTIVE BUSINESS PRACTICES ACT (815 ILL COMP. STAT.
505/1, ET SEQ.)**

(Against Shimano, Specialized, and Giant)

561. Plaintiffs reallege and incorporate by reference each of the allegations in Paragraphs 1-158, above, as though fully set forth herein.

562. Plaintiffs Lewis and Semizarov bring this count under Illinois law, individually and on behalf of the other members of the Illinois Subclass against Shimano and Specialized for their respective Class Bicycles and Defective Cranksets. For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with materially similar laws may represent Subclasses under this count against all other Defendants.

563. For purposes of this count, Plaintiffs Lewis and Semizarov shall be referred to as “Plaintiffs,” and members of the Illinois Subclass shall be referred to as “Class Members.” For purposes of this count, Shimano and Specialized shall be referred to as “Defendants.”

564. Defendants, Plaintiffs, and Class Members are “persons” within the meaning of 815 Ill. Comp. Stat. 505/1(c).

565. Plaintiffs and Class Members are “consumers” within the meaning of 815 Ill. Comp. Stat. 505/1I.

566. The Defective Cranksets and Class Bicycles are “merchandise” within the meaning of 815 Ill. Comp. Stat. 505/1(b).

567. Defendants were and are engaged in “trade” and “commerce” within the meaning of 815 Ill. Comp. Stat. 505/1(f).

568. The Illinois Consumer Fraud and Deceptive Business Practices Act (“Illinois CFA”) prohibits “[u]nfair methods of competition and unfair or deceptive acts or practices.” 815 Ill. Comp. Stat. 505/2.

1 569. Defendants' violations of the Illinois CFA occurred repeatedly in their
2 trade or practice – including the design, manufacture, distribution, marketing, and sale
3 of the Defective Cranksets and the Class Bicycles.

4 570. Defendants, through their agents, employees, and/or subsidiaries,
5 violated the Illinois CFA by knowingly and intentionally misrepresenting, omitting,
6 concealing, and/or failing to disclose material facts regarding the reliability, safety,
7 and performance of the Class Bicycles and the Defective Cranksets, as detailed above.

8 571. As set forth herein, Defendants engaged in deceptive acts by knowingly
9 misrepresenting and concealing or omitting from Plaintiffs and Class Members that
10 the Class Bicycles and Defective Cranksets suffer from the Crankset Defect (and the
11 costs, risks, and diminished value of the Class Bicycles and Defective Cranksets as a
12 result). Defendants knew that the Class Bicycles and Defective Cranksets were
13 defectively designed, posed an unreasonable safety risk, and unsuitable for their
14 intended use.

15 572. Defendants had an ongoing duty to Plaintiffs and Class Members to
16 refrain from unfair or deceptive practices under the Illinois CFA in the course of their
17 business. Specifically, Defendants owed Plaintiffs and Class Members a duty to
18 disclose all the material facts concerning the Defective Cranksets and the Defective
19 Cranksets in the Class Bicycles because:

- 20 a. Given the Defendants' role in the design, manufacture, testing, and sale
21 of the Class Bicycles and Defective Cranksets, and their experience and
22 knowledge as experts and long-time veterans of the bicycle industry,
23 they possessed exclusive access to and were in a superior position to
24 know the true facts about the Class Bicycles and Defective Cranksets;
- 25 b. Given Shimano's design, development, testing and manufacture of the
26 Defective Cranksets and its experience and knowledge as an expert and
27 long-time veteran of the bicycle industry, it, along with the Bicycle
28

- 1 Manufacturer Defendants, possessed exclusive access to and was in a
2 superior position to know the true facts about the Defective Cranksets;
- 3 c. Defendants knew that the Class Bicycles and Defective Cranksets gave
4 rise to serious safety concerns for the consumers who purchased the
5 Class Bicycles and Defective Cranksets;
- 6 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and
7 Class Members lacked the sophisticated expertise in bicycle and crankset
8 components and design and technology necessary to discover that the
9 Class Bicycles and Defective Cranksets were defective;
- 10 e. Plaintiffs and the Class Members could not reasonably have been
11 expected to learn or discover that the Class Bicycles and Defective
12 Cranksets had a safety defect before purchase;
- 13 f. Defendants knew that Plaintiffs and Class Members could not reasonably
14 have been expected to learn or discover the defect and the associated
15 repair or replacement costs;
- 16 g. Defendants knew that the Class Bicycles and Defective Cranksets, and
17 the defect therein, gave rise to serious safety concerns for consumers
18 who purchased them;
- 19 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
20 in that, among other things, the Defective Cranksets can break during
21 normal use and riding, causing loss of balance and accidents that can lead
22 to severe and potentially fatal injuries;
- 23 i. Defendants knew about and investigated the Crankset Defect, but then
24 did not notify consumers about it, disclose the Crankset Defect to CPSC,
25 or further launch a comprehensive recall for all Class Bicycles and
26 Defective Cranksets, which individually and together deprived Plaintiffs
27 of an opportunity that otherwise could have led them to discover the truth
28

1 about the Crankset Defect in their Class Bicycles and Defective
2 Cranksets;

3 j. Defendants actively concealed the defect and the associated repair and
4 replacement costs by responding to negative reviews and inquiries
5 without disclosing the defect, asserting that the Class Bicycles and
6 Defective Cranksets were not defective, asserting that non-design factors
7 caused problems with the Defective Cranksets, and replacing defectively
8 designed Class Bicycles and Defective Cranksets with identical
9 defectively designed Class Bicycles and Defective Cranksets; and

10 k. Defendants made, helped to make, or conspired to make partial and
11 incomplete representations about strength, safety, quality, durability,
12 dependability and reliability of the Class Bicycles and Defective
13 Cranksets, while purposefully withholding material facts about a known
14 safety defect. Because they volunteered to provide information about the
15 Class Bicycles and Defective Cranksets that they marketed and offered
16 for sale to consumers, Defendants had the duty to disclose the whole
17 truth.

18 573. By misrepresenting the Class Bicycles and Defective Cranksets as
19 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free
20 from defects, and/or by failing to disclose and actively concealing the dangers and
21 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in
22 unfair methods of competition and unfair or deceptive acts or practices in the conduct
23 of trade or commerce, as prohibited by 815 ILCS 505/2, including the use or
24 employment of deception and fraud, and/or the concealment, suppression or omission
25 of material facts, and engaging in conduct which creates a likelihood of confusion or
26 misunderstanding.

1 574. Defendants' unfair or deceptive acts or practices, including their
2 misrepresentations, concealments, omissions, and/or suppressions of material facts,
3 were designed to mislead and had a tendency or capacity to mislead and create a false
4 impression in consumers that the Class Bicycles and Defective Cranksets were strong,
5 safe, dependable, durable and reliable, and had properly-functioning cranksets that
6 would properly function and be reliable. Defendants' misrepresentations,
7 concealments, omissions, and suppressions of material facts did, in fact, deceive
8 reasonable consumers, including Plaintiffs and Class Members, about the true safety,
9 strength, dependability, durability, and reliability of the Class Bicycles and Defective
10 Cranksets

11 575. Defendants intended for Plaintiffs and Class Members to rely on their
12 misrepresentations, omissions, and concealment – which they did by purchasing the
13 Defective Cranksets and Class Bicycles at the prices they paid believing that their
14 Defective Cranksets and Class Bicycles would not have a Crankset Defect that would
15 affect the strength, quality, durability, dependability, reliability, and safety of the
16 Class Bicycles and the Defective Cranksets.

17 576. Defendants' misrepresentations, concealments, omissions, and
18 suppressions of material facts regarding the Crankset Defect and true characteristics
19 of the Defective Cranksets and Class Bicycles were material to the decisions of
20 Plaintiffs and Class Members to purchase those cranksets and bicycles, as Defendants
21 intended. Plaintiffs and Class Members were exposed to those misrepresentations,
22 concealments, omissions, and suppressions of material facts, and relied on
23 Defendants' misrepresentations that the Class Bicycles and their Defective Cranksets
24 were safe and reliable in deciding to purchase the Class Bicycles and Defective
25 Cranksets.

26 577. Plaintiffs' and Class Members' reliance was reasonable, as they had no
27 way of discerning that Defendants' representations were false and misleading, or
28

1 otherwise learning the facts that Defendants had concealed or failed to disclose.
2 Plaintiffs and Class Members did not, and could not, unravel Defendants' deception
3 on their own.

4 578. A reasonable consumer would have considered them important in
5 deciding whether to purchase Defendants' Class Bicycles and Defective Cranksets or
6 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and
7 the Class members would not have purchased the Defective Cranksets and/or Class
8 Bicycles, or would have paid significantly less for them.

9 579. Defendants could have and should have prominently disclosed the defect
10 on the product listings on its website, on product packaging, and to third-party
11 retailers. Had Defendants disclosed the Crankset Defect in this manner, Plaintiffs,
12 Class Members and reasonable consumers would have been aware of it.

13 580. Defendants profited from selling the falsely, deceptively, and unlawfully
14 advertised Class Bicycles and Defective Cranksets to unwary purchasers.

15 581. As a direct and proximate result of Defendants' deceptive practices,
16 Plaintiffs and Class Members have sustained economic injury and loss – either by
17 purchasing a crankset or bicycle they otherwise would not have purchased or paying
18 more than they otherwise would have as a result of Defendants' actions and omissions
19 alleged above – that first occurred at the time each Defective Crankset and/or Class
20 Bicycle was purchased.

21 582. Defendants' violations present a continuing risk to Plaintiffs and Class
22 Members, as well as to the general public, because the Class Bicycles and Defective
23 Cranksets remain unsafe due to the Crankset Defect therein. Defendants' unlawful
24 acts and practices complained of herein affect the public interest.

25 583. Plaintiffs and Class Members timely provided Defendants notice of the
26 issues raised in this count and this Complaint and an opportunity to cure, as alleged
27 in the paragraphs addressing Defendants' notice, above. Because Defendants failed
28

1 to adequately remedy their unlawful conduct, Plaintiffs seeks all damages and relief
2 to which Plaintiffs and Class Members are entitled.

3 584. Alternatively, Plaintiffs and Class Members were excused from
4 providing Defendants with notice and an opportunity to cure the breach, because it
5 would have been futile. As alleged above, Defendants knew about the Crankset Defect
6 for years. Moreover, although Shimano issued a recall, that recall is inadequate
7 because, *inter alia*: (a) it is belated because Defendants knew about the Defective
8 Cranksets, including Defective Cranksets included in Class Bicycles, for years and
9 did nothing to recall or remedy the serious safety defect; (b) with hundreds of
10 thousands of Class Bicycles and Defective Cranksets impacted in existing and
11 potential future recalls, as a result of Defendants' misrepresentations about and
12 omission/concealment of the Crankset Defect, the recalls cannot be implemented
13 effectively due to supply constraints and resulting delays; and (c) the recalls are
14 incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

15 585. Pursuant to 815 Ill. Comp. Stat. 505/10a, Plaintiffs and Class Members
16 seek an order enjoining Defendants' unfair or deceptive acts or practices and awarding
17 actual damages, treble damages, restitution, attorneys' fees, and any other just and
18 proper relief available under the Illinois CFA.

19 **D. COUNT XXII: VIOLATION OF THE ILLINOIS UNIFORM**
20 **DECEPTIVE TRADE PRACTICES ACT (815 ILL. COMP. STAT.**
21 **510/1, ET SEQ.)**

22 (Against Shimano, Specialized, and Giant)

23 586. Plaintiffs reallege and incorporate by reference each of the allegations in
24 Paragraphs 1-158, above, as though fully set forth herein.

25 587. Plaintiffs Lewis and Semizarov bring this count under Illinois law,
26 individually and on behalf of the other members of the Illinois Subclass against
27 Shimano and Specialized for their respective Class Bicycles and Defective Cranksets.
28

1 For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or
2 Defective Cranksets in states with materially similar laws may represent Subclasses
3 under this count against all other Defendants.

4 588. For purposes of this count, Plaintiffs Lewis and Semizarov shall be
5 referred to as “Plaintiffs,” and members of the Illinois Subclass shall be referred to as
6 “Class Members.” For purposes of this count, Shimano and Specialized shall be
7 referred to as “Defendants.”

8 589. The Illinois Uniform Deceptive Trade Practices Act (“Illinois
9 UDTPA”) prohibits deceptive trade practices in the course of a business, vocation,
10 or occupation. 815 ILCS 510/2(a).

11 590. In the course of their business, Defendants, through their agents,
12 employees, and/or subsidiaries, violated the Illinois UDTPA by knowingly and
13 intentionally misrepresenting, omitting, concealing, and/or failing to disclose material
14 facts regarding the strength, quality, durability, dependability, reliability, and safety
15 of the Class Bicycles and Defective Cranksets, as detailed above.

16 591. By misrepresenting the Class Bicycles and Defective Cranksets as
17 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free
18 from defects, and/or by failing to disclose and actively concealing the dangers and
19 risk posed by the Crankset Defect to consumers and CPSC, Defendants engaged in
20 one or more of the following unfair or deceptive business practices prohibited by 815
21 ILCS 510/2(a):

- 22 a. Representing that the Class Bicycle and Defective Cranksets had
23 characteristics that they did not actually have—i.e., that Class Bicycles
24 and Defective Cranksets were safe, strong, of high-quality, durable,
25 dependable, reliable, properly-functioning, free from defects and
26 suitable for normal use, when, in fact, they were not because the
27 Defective Cranksets were defectively designed such that they had an
28

1 unreasonably dangerous propensity to break, causing accidents and
2 injuries;

3 b. Representing that the Class Bicycle and Defective Cranksets were of a
4 particular quality, grade, or standard when, in fact, they were not of that
5 quality, grade, or standard;

6 c. Advertising the Class Bicycle and Defective Cranksets with the intent
7 not to sell them as advertised, i.e., that the Class Bicycles and Defective
8 Cranksets were safe and suitable for their intended use, when, in fact,
9 they were not because of the Crankset Defect; and

10 d. Engaging in other conduct which similarly creates a likelihood of
11 confusion or misunderstanding.

12 815 ILCS 510/2(a)(5), (7), (9), and (12)

13 592. Defendants' unfair or deceptive acts or practices, including their
14 misrepresentations, concealments, omissions, and/or suppressions of material facts,
15 were designed to mislead and had a tendency or capacity to mislead and create a false
16 impression in consumers that the Class Bicycles and Defective Cranksets were strong,
17 safe, high-quality, reliable, durable, dependable, free of defects had properly-
18 functioning cranksets. Indeed, those misrepresentations, concealments, omissions,
19 and suppressions of material facts did in fact deceive reasonable consumers, including
20 Plaintiffs and Class Members, about the true strength, safety, quality, reliability,
21 durability and dependability of the Class Bicycles and the Defective Cranksets, and
22 the true value of the Class Bicycles and Defective Cranksets.

23 593. Defendants intended for Plaintiffs and Class Members to rely on their
24 misrepresentations, omissions, and concealment—which they did by purchasing the
25 Class Bicycles at the prices they paid believing that their bicycles would not have a
26 Crankset Defect that would affect the strength, safety, quality, reliability, durability,
27 and dependability of the Class Bicycles and Defective Cranksets.

1 594. Defendants’ misrepresentations, concealments, omissions, and
2 suppressions of material facts regarding the Crankset Defect and true characteristics
3 of the Class Bicycles and Defective Cranksets were material to the decisions of
4 Plaintiffs and Class Members to purchase the Class Bicycles and Defective Cranksets,
5 as Defendants intended. Plaintiffs and Class Members were exposed to those
6 misrepresentations, concealments, omissions, and suppressions of material facts, and
7 relied on Defendants’ misrepresentations that the Class Bicycles and Defective
8 Cranksets were strong, safe, high-quality, reliable, durable, and dependable in
9 deciding to purchase the Class Bicycles and Defective Cranksets.

10 595. Plaintiffs’ and Class Members’ reliance was reasonable, as they had no
11 way of discerning that Defendants’ representations were false and misleading, or
12 otherwise learning the facts that Defendants had concealed, omitted or failed to
13 disclose. Plaintiffs and Class Members did not, and could not, unravel Defendants’
14 deception on their own.

15 596. Had they known the truth about the Crankset Defect, Plaintiffs and Class
16 Members would not have purchased the Class Bicycles or Defective Cranksets, or
17 would have paid significantly less for them.

18 597. As a direct and proximate result of Defendants’ deceptive practices,
19 Plaintiffs and Class Members have sustained economic injury and loss—either by
20 purchasing a Class Bicycle or Crankset they otherwise would not have purchased or
21 paying more than they otherwise would have as a result of Defendants’ actions and
22 omissions alleged above—that first occurred at the time each Class Bicycle or
23 Crankset was purchased.

24 598. Defendants’ violations present a continuing risk to Plaintiffs and Class
25 Members, as well as to the general public, because the Class Bicycles and Defective
26 Cranksets remain unsafe due to the Defective Cranksets therein. Defendants’
27 unlawful acts and practices complained of herein affect the public interest.
28

1 599. Pursuant to 815 ILCS 510/3, Plaintiffs and Class Members seek an order
2 enjoining Defendants’ unfair and/or deceptive acts or practices, any such orders or
3 judgments as may be necessary to restore to them any money acquired by their unfair
4 or deceptive acts or practices, including restitution and/or restitutionary
5 disgorgement, and any other just and proper relief available under the Illinois
6 UDTPA.

7 600. Plaintiffs pleads this claim separately as well as in the alternative to their
8 claims for damages under Fed. R. Civ. P. 8(a)(3), because if the Court dismisses
9 Plaintiffs’ claims for damages or enters judgment on them in favor of Defendants,
10 Plaintiffs will have no adequate legal remedy.

11 **E. COUNT XXIII: FRAUD**

12 (Against Shimano, Specialized, and Giant)

13 601. Plaintiffs reallege and incorporate by reference each of the allegations in
14 Paragraphs 1-158, above, as though fully set forth herein.

15 602. Plaintiffs Lewis and Semizarov bring this count under Illinois law, under
16 both the misrepresentation and omission/concealment theories, under Illinois law,
17 individually and on behalf of the Illinois Subclass against Shimano and Giant for their
18 respective Class Bicycles and Defective Cranksets. For the remaining Defendants,
19 Plaintiffs who purchased their Class Bicycles or Defective Cranksets in states with
20 materially similar laws may represent Subclasses under this count against all other
21 Defendants.

22 603. For purposes of this count, Plaintiffs Lewis and Semizarov shall be
23 referred to as “Plaintiffs,” and members of the Illinois Subclass shall be referred to as
24 “Class Members.” For purposes of this count, Shimano and Giant shall be referred to
25 as “Defendants.”
26
27
28

1 **1. Affirmative Misrepresentation**

2 604. Defendants represented and marketed the Class Bicycles and Defective
3 Cranksets as strong, of high-quality, durable, dependable, and reliable. These
4 representations are understood by consumers to mean that the Class Bicycles and
5 Defective Cranksets are “safe” for ordinary use.

6 605. The strength, quality, durability, dependability and reliability of the
7 Defective Cranksets and the Class Bicycles in which the Defective Cranksets were
8 installed were material facts because a reasonable person would find it important in
9 purchasing or retaining a new or used bicycle and because it directly impacts the value
10 of the Class Bicycles and Defective Cranksets purchased by Plaintiffs and Class
11 Members.

12 606. Defendants’ representations regarding the Defective Cranksets and Class
13 Bicycles’ strength, quality, durability, dependability and reliability—, all terms that
14 signal “safety” to consumers—were false because the Class Bicycles and Defective
15 Cranksets contain the Crankset Defect that causes the cranksets to break during
16 normal use. In doing so, the presence of the Crankset Defect makes the Defective
17 Cranksets and Class Bicycles unsafe for normal use.

18 607. Defendants knew that their representations were false and intended
19 Plaintiffs and Class Members to rely on them, which they did by purchasing the Class
20 Bicycles and Defective Cranksets at the prices they paid believing that they would not
21 have a Crankset Defect that would affect the quality, reliability, durability, strength
22 and safety of the Class Bicycles and Defective Cranksets.

23 608. Plaintiffs’ and Class Members’ reliance was reasonable because a
24 reasonable consumer would not have expected that the Class Bicycles and Defective
25 Cranksets contained a safety defect that poses such a serious risk. They had no way
26 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and
27 Class Members did not, and could not, unravel Defendants’ deception on their own.
28

1 609. Had Plaintiffs and Class Members known of the Crankset Defect within
2 the Class Bicycles or Defective Cranksets, they would not have purchased the Class
3 Bicycles or Defective Cranksets or would have paid less for them.

4 610. As a direct and proximate result of Defendants' omissions and
5 concealment, Plaintiffs and other Class Members either overpaid for the Class
6 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or
7 Defective Cranksets at all if the Crankset Defect had been disclosed to them.
8 Accordingly, Defendants are liable to Plaintiffs and Class Members for their damages
9 in an amount to be proven at trial.

10 611. Defendants acted maliciously, oppressively, deliberately, with intent to
11 defraud; in reckless disregard of the Plaintiffs' and Class Members' rights and well-
12 being; and to enrich themselves. Defendants' misconduct warrants an assessment of
13 punitive damages, as permitted by law, in an amount sufficient to deter such conduct
14 in the future, which amount shall be determined according to proof at trial.

15 **2. Omission/Concealment**

16 612. Defendants are liable for fraud by omission, concealment, and/or non-
17 disclosure. See, e.g., Restatement (Second) of Torts §§ 550-51 (1977).

18 613. Defendants owed Plaintiffs and Class Members a duty to disclose all the
19 material facts concerning the Defective Cranksets in the Class Bicycles and Defective
20 Cranksets because:

- 21 a. Given the Defendants' role in the design, manufacture, pre-sale testing,
22 sale, and post-sale monitoring of the Class Bicycles and Defective
23 Cranksets, and their experience and knowledge as experts and long-time
24 veterans of the bicycle industry, they possessed exclusive access to and
25 were in a superior position to know the true facts about the Class
26 Bicycles and Defective Cranksets;

- 1 b. Given Shimano's design, development, testing and manufacture of the
2 Defective Cranksets and its experience and knowledge as an expert and
3 long-time veteran of the bicycle industry, it, along with the Bicycle
4 Manufacturer Defendants, possessed exclusive access to and was in a
5 superior position to know the true facts about the Defective Cranksets,
6 including their component parts, design, adhesive properties, and other
7 information not known to Plaintiffs or Class Members;
- 8 c. Defendants knew that the Class Bicycles and Defective Cranksets gave
9 rise to serious safety concerns for the consumers who purchased the
10 Class Bicycles and Defective Cranksets;
- 11 d. Given the Crankset Defect's hidden, proprietary, and technical nature,
12 Plaintiffs and Class Members lacked the sophisticated expertise in
13 bicycle and crankset components and design and technology necessary
14 to discover that the Class Bicycles and Defective Cranksets were
15 defective;
- 16 e. Plaintiffs and the Class Members could not reasonably have been
17 expected to learn or discover that the Class Bicycles and Defective
18 Cranksets had a safety defect before purchase;
- 19 f. Defendants knew that Plaintiffs and Class Members could not reasonably
20 have been expected to learn or discover the defect and the associated
21 repair or replacement costs;
- 22 g. Defendants knew that the Class Bicycles and Defective Cranksets, and
23 the defect therein, gave rise to serious safety concerns for consumers
24 who purchased them;
- 25 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
26 in that, among other things, the Defective Cranksets can break during
27
28

1 normal use and riding, causing loss of balance and accidents that can lead
2 to severe and potentially fatal injuries;

3 i. Defendants knew about and investigated the Crankset Defect, but then
4 did not notify consumers about it, disclose the Crankset Defect to CPSC,
5 or further launch a comprehensive recall for all Class Bicycles and
6 Defective Cranksets, which individually and together deprived Plaintiffs
7 of an opportunity that otherwise could have led them to discover the truth
8 about the Crankset Defect in their Class Bicycles and Defective
9 Cranksets;

10 j. Defendants actively concealed the defect and the associated repair and
11 replacement costs by responding to negative reviews and inquiries
12 without disclosing the defect, asserting that the Class Bicycles and
13 Defective Cranksets were not defective, asserting that non-design factors
14 caused problems with the Defective Cranksets, and replacing defectively
15 designed Class Bicycles and Defective Cranksets with identical
16 defectively designed Class Bicycles and Defective Cranksets; and

17 k. Defendants made, helped to make, or conspired to make partial and
18 incomplete representations about strength, safety, quality, durability,
19 dependability and reliability of the Class Bicycles and Defective
20 Cranksets, while purposefully withholding material facts about a known
21 safety defect. Because they volunteered to provide information about the
22 Class Bicycles and Defective Cranksets that they marketed and offered
23 for sale to consumers, Defendants had the duty to disclose the whole
24 truth.

25 l. In breach of their duties, Defendants failed to disclose the Crankset
26 Defect and that the Class Bicycles and Defective Cranksets were not
27 strong, safety, high-quality, durable, durable or free of defects to
28

1 Plaintiffs and Class Members in connection with the sale of the Class
2 Bicycles and Defective Cranksets.

3 614. The Crankset Defect within the Class Bicycles and Defective Cranksets
4 is material to the sale of the of the Class Bicycles and Defective Cranksets because a
5 reasonable person would find it important in purchasing or retaining a new or used
6 bicycle and because it directly impacts the value of the Class Bicycles and Defective
7 Cranksets purchased by Plaintiffs and Class Members.

8 615. Defendants intended for Plaintiffs and Class Members to rely on their
9 omissions and concealment—which they did by purchasing the Class Bicycles and
10 Defective Cranksets at the prices they paid believing that they would not have a
11 Crankset Defect that would affect the quality, reliability, durability, strength and
12 safety of the Class Bicycles and Defective Cranksets.

13 616. Plaintiffs' and Class Members' reliance was reasonable because a
14 reasonable consumer would not have expected that the Class Bicycles and Defective
15 Cranksets contained a safety defect that poses such a serious risk. They had no way
16 of learning the facts that Defendants had concealed or failed to disclose. Plaintiffs and
17 Class Members did not, and could not, unravel Defendants' deception on their own.

18 617. Defendants actively concealed and suppressed these material facts, in
19 whole or in part, to maintain a market for the Class Bicycles and Defective Cranksets
20 installed in them, and the Defective Cranksets themselves, to protect profits, and to
21 avoid costly recalls that would expose them to liability for those expenses and harm
22 the commercial reputations of Defendants and their products. They did so at the
23 expense of Plaintiffs and Class Members.

24 618. If Defendants had fully and adequately disclosed the Crankset Defect to
25 consumers, Plaintiffs and Class Members would have seen such a disclosure.

26 619. Through their omissions and concealment with respect to the Crankset
27 Defect within the Class Bicycles and Defective Cranksets, Defendants intended to
28

1 induce, and did induce, Plaintiffs and Class Members to either purchase a Class
2 Bicycle or a Defective Crankset that they otherwise would not have purchased, or pay
3 more for than they otherwise would have paid for a Class Bicycle or Defective
4 Crankset.

5 620. Had Plaintiffs and Class Members known of the Crankset Defect within
6 the Class Bicycles or Defective Cranksets, they would not have purchased the Class
7 Bicycles or Defective Cranksets or would have paid less for them.

8 621. As a direct and proximate result of Defendants' omissions and
9 concealment, Plaintiffs and other Class Members either overpaid for the Class
10 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or
11 Defective Cranksets at all if the Crankset Defect had been disclosed to them.
12 Accordingly, Defendants are liable to Plaintiffs and Class Members for their damages
13 in an amount to be proven at trial.

14 622. Defendants acted maliciously, oppressively, deliberately, with intent to
15 defraud; in reckless disregard of the Plaintiffs' and Class Members' rights and well-
16 being; and to enrich themselves. Defendants' misconduct warrants an assessment of
17 punitive damages, as permitted by law, in an amount sufficient to deter such conduct
18 in the future, which amount shall be determined according to proof at trial.

19 **F. COUNT XXIV: UNJUST ENRICHMENT**

20 (Against Shimano, Specialized, and Giant)

21 623. Plaintiffs reallege and incorporate by reference each of the allegations in
22 Paragraphs 1-158, above, as though fully set forth herein.

23 624. Plaintiffs Lewis and Semizarov bring this count under Illinois law,
24 individually and on behalf of the other members of the Illinois Subclass against
25 Shimano and Specialized for their respective Class Bicycles and Defective Cranksets.
26 For the remaining Defendants, Plaintiffs who purchased their Class Bicycles or
27
28

1 Defective Cranksets in states with materially similar laws may represent Subclasses
2 under this count against all other Defendants.

3 625. For purposes of this count, Plaintiffs Lewis and Semizarov shall be
4 referred to as “Plaintiffs,” and members of the Illinois Subclass shall be referred to as
5 “Class Members.” For purposes of this count, Shimano and Specialized shall be
6 referred to as “Defendants.”

7 626. When they purchased the Class Bicycles or Defective Cranksets,
8 Plaintiffs and Class Member conferred a tangible and material economic benefits on
9 Defendants. Defendants readily accepted and retained the benefits.

10 627. Plaintiffs and Class Members would not have purchased the Defective
11 Cranksets or Class Bicycles, or would have paid less for them, had they known of the
12 Crankset Defect at the time of purchase. Therefore, Defendants profited from the sale
13 of the Defective Cranksets and Class Bicycles to the detriment and expense of
14 Plaintiffs and Class Members.

15 628. Defendants knew or should have known that the payments rendered by
16 Plaintiffs and Class Members were given with the expectation that the Class Bicycles
17 and Defective Cranksets would have the qualities, characteristics, and suitability for
18 use represented and warranted by Defendants. Defendants appreciated the economic
19 benefits. The benefits were the expected result of Defendants acting in their own
20 pecuniary interest at the expense of Plaintiffs and Class members. Defendants knew
21 of the benefits they were receiving because they were aware of the Crankset Defect
22 in the Class Bicycles and Defective Cranksets, yet they failed to disclose this
23 knowledge and misled Plaintiffs and Class Members regarding the nature and quality
24 of the Class Bicycles and Defective Cranksets while profiting from their deception.
25 As such, it would be unjust, inequitable and unconscionable for Defendants to retain
26 the benefit of the payments under these circumstances.

1 629. By their wrongful acts and omissions described herein, including selling
2 the Class Bicycles and Defective Cranksets which contain the Crankset Defect,
3 Defendants were unjustly enriched at the expense of Plaintiffs and Class Members.

4 630. Plaintiffs' and Class Members' detriment and Defendants' enrichment
5 were related to and flowed from the wrongful conduct challenged in this Complaint.

6 631. Defendants have profited from their unlawful, unfair, misleading, and
7 deceptive practices at the expense of Plaintiffs and Class Members. It would be unjust,
8 inequitable and unconscionable for Defendants to retain the profits, benefits, and other
9 compensation obtained from their wrongful conduct alleged herein

10 632. Defendants have been unjustly enriched in retaining the revenues derived
11 from Plaintiffs' and Class Members' purchases of Class Bicycles and Defective
12 Cranksets, which retention of such revenues under these circumstances is unjust and
13 inequitable because Defendants manufactured the Class Bicycles and Defective
14 Cranksets, and Defendants affirmatively misrepresented and omitted and/or
15 concealed the nature of the Class Bicycles and Defective Cranksets, and knowingly
16 marketed and promoted dangerous and Class Bicycles and Defective Cranksets,
17 which injured Plaintiffs and Class Members because they would not have purchased
18 the Class Bicycles and Defective Cranksets based on the exact representations if the
19 true facts concerning the Class Bicycles and Defective Cranksets had been known.

20 633. Plaintiffs and putative Class Members are entitled to restitution and to
21 recover from Defendants all amounts wrongfully collected and improperly retained
22 by Defendants in the amount necessary to return Plaintiffs sand Class Members to the
23 position they occupied prior to dealing with Defendants, with such amounts to be
24 determined at trial.

25 634. As a direct and proximate result of Defendants' wrongful conduct and
26 unjust enrichment, Plaintiffs and putative Class Members are entitled to restitution of,
27 disgorgement of, and/or imposition of a constructive trust upon all profits, benefits,
28

1 and other compensation obtained by Defendants for their inequitable and unlawful
2 conduct.

3 635. Plaintiffs plead this claim separately as well as in the alternative to claims
4 for damages under Fed. R. Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs'
5 claims for damages or enters judgment on them in favor of the Defendants, Plaintiff
6 will have no adequate legal remedy.

7 **CLAIMS ASSERTED ON BEHALF OF NEW YORK STATE SUBCLASS**

8 **A. COUNT XXV: BREACH OF EXPRESS WARRANTY (N.Y. U.C.C. §§**
9 **2-313)**

10 (Against Shimano)

11 636. Plaintiffs reallege and incorporate by reference each of the allegations in
12 Paragraphs 1-158, above, as though fully set forth herein.

13 637. Plaintiffs Adelman and Kouyate bring this count under New York law,
14 individually and on behalf of the other members of the New York Subclass against
15 Shimano for the Defective Cranksets.

16 638. For purposes of this count Plaintiffs Adelman and Kouyate shall be
17 referred to as "Plaintiffs," and members of the New York Subclass shall be referred
18 to as "Class Members." For purposes of this count, Shimano shall be referred to as
19 "Defendant."

20 639. Plaintiffs' Class Bicycles and Defective Cranksets are "goods" under
21 N.Y. U.C.C. §§ 2-105(1).

22 640. Plaintiffs and Class Members who purchased the Defective Cranksets
23 in New York are "buyers" under N.Y. U.C.C. § 2-103(1)(a).

24 641. Shimano is a "merchant" and "seller" of the Defective Cranksets under
25 N.Y. U.C.C. § 2-104(1), and § 2-103(1)(d), respectively.

1 642. Defendant issued an express written warranty for each Defective
2 Crankset they sold (including Defective Cranksets equipped in Class Bicycles),
3 including that:

- 4 a. The Defective Cranksets would be “free from a defect in material and
5 workmanship” at the time of sale; and⁴³
6 b. The Defective Cranksets were strong, high quality, safe, durable,
7 dependable, and reliable, and their cranksets would function properly
8 during the operation of the bicycles.

9 643. The warranties listed above formed the basis of the bargain with regard
10 to Plaintiffs’ and other Class Members’ purchase of the Defective Cranksets or Class
11 Bicycles equipped with Defective Cranksets.

12 644. Defendant knowingly breached its warranty for the Defective Cranksets
13 or Class Bicycles equipped with Defective Cranksets because:

- 14 a. The Defective Cranksets or Class Bicycles equipped with Defective
15 Cranksets have latent defects which have a dangerous propensity to
16 cause the bonded crank parts to separate and break, subjecting Plaintiffs
17 and the other Class Members to the risk of loss and injury; and
18 b. Defendant denied, concealed, and misrepresented (affirmatively and by
19 omission) the Crankset Defect, in the process of refusing to pay for or
20 provide, in a reasonably timely fashion, the needed repairs and
21 replacements for Plaintiffs and the other Class Members.

22 645. Defendant knew or should have known that the warranties were false
23 and/or misleading. Specifically, Defendant was aware of the Crankset Defect, which
24 made the Defective Cranksets or Class Bicycles equipped with Defective Cranksets
25
26

27 ⁴³ Shimano Warranty Policy, <https://ride.shimano.com/pages/shimano-warranty-policy>, last
28 accessed on December 29, 2023.

1 inherently defective and dangerous at the time that they were sold to Plaintiffs and the
2 other Class Members.

3 646. Plaintiffs and the other Class Members were exposed to Defendant's
4 misrepresentations and omissions/concealment, and they had no way of discerning
5 that Defendant's representations and omissions/concealment were false and
6 misleading or otherwise learning the material facts that Defendants had concealed or
7 failed to disclose. Accordingly, Plaintiffs and the other Class Members reasonably
8 relied on Defendant's express warranties when purchasing the Defective Cranksets or
9 Class Bicycles equipped with Defective Cranksets.

10 647. Plaintiffs and the other Class Members timely provided the Defendant
11 notice of the issues raised in this count and this Complaint and an opportunity to cure,
12 as alleged in the paragraphs addressing Defendant's notice, above.

13 648. Alternatively, Plaintiffs and the other Class Members were excused from
14 providing Defendant with notice and an opportunity to cure the breach, because it
15 would have been futile. As alleged above, Defendant knew about the Crankset Defect
16 for years. Moreover, although Defendant issued a recall, that recall is inadequate
17 because, inter alia: (a) it is belated because Defendant knew about the Defective
18 Cranksets, including Defective Cranksets included in Class Bicycles, for years and
19 did nothing to recall or remedy the serious safety defect; (b) with hundreds of
20 thousands of Class Bicycles and Defective Cranksets impacted in existing and
21 potential future recalls, as a result of Defendant's misrepresentations about and
22 omission/concealment of the Crankset Defect, the recalls cannot be implemented
23 effectively due to supply constraints and resulting delays; and (c) the recalls are
24 incomplete, and apply to only a subset of the Defective Cranksets or Class Bicycles
25 equipped with Defective Cranksets.

26 649. Privity of contract is not required here because Plaintiffs and the other
27 Class Members were each intended third-party beneficiaries of the Defective
28

1 Cranksets or Class Bicycles equipped with Defective Cranksets sold through
2 independent retailers. The retailers were not intended to be the ultimate consumers of
3 the Defective Cranksets or Class Bicycles equipped with Defective Cranksets and
4 have no rights under the warranty provided with the Defective Cranksets or Class
5 Bicycles equipped with Defective Cranksets.

6 650. Alternatively, privity of contract is satisfied because Plaintiffs and the
7 other Class Members purchased the Defective Cranksets or Class Bicycles equipped
8 with Defective Cranksets from retailers who were the exclusive retail sellers of
9 Defendant's products and/or acted as agents of the Defendants.

10 651. Plaintiffs and the other Class Members did not receive or otherwise have
11 the opportunity to review, at or before the time of sale, any purported warranty
12 exclusions and limitations of remedies. Accordingly, any such exclusions and
13 limitations of remedies are unconscionable and unenforceable.

14 652. As a direct and proximate result of Defendant's breach of their express
15 warranties, the Defective Cranksets or Class Bicycles equipped with Defective
16 Cranksets were and are defective and the Crankset Defect was not remedied.
17 Therefore, Plaintiffs and the other Class Members have been damaged, in an amount
18 to be proven at trial, through their overpayment at the time of purchase for the
19 Defective Cranksets or Class Bicycles equipped with Defective Cranksets with an
20 undisclosed safety defect that would not be remedied.

21 **B. COUNT XXVI: BREACH OF IMPLIED WARRANTY OF**
22 **MERCHANTABILITY (N.Y. U.C.C. §§ 2-314)**

23 (Against Shimano)

24 653. Plaintiffs reallege and incorporate by reference each of the allegations in
25 Paragraphs 1-158, above, as though fully set forth herein.
26
27
28

1 654. Plaintiffs Adelman and Kouyate bring this count under New York law,
2 individually and on behalf of the other members of the New York Subclass against
3 Shimano for the Defective Cranksets.

4 655. For purposes of this count, Plaintiffs Adelman and Kouyate shall be
5 referred to as “Plaintiffs,” and members of the New York Subclass shall be referred
6 to as “Class Members.”

7 656. For purposes of this count, Defendant Shimano shall be referred to as
8 “Defendant.”

9 657. For purposes of this count, members of the California Subclass shall be
10 referred to as “Class Members.”

11 658. The Class Bicycles and Defective Cranksets are “goods” under N.Y.
12 U.C.C. §§ 2-105(1).

13 659. Plaintiffs and the other Class Members are “buyers” of the Class
14 Bicycles and Defective Cranksets under N.Y. U.C.C. § 2-103(1)(a).

15 660. Defendant is a “merchant” and “seller” under N.Y. U.C.C. § 2-104(1)
16 and § 2-103(1)(d), respectively.

17 661. New York law conferred an implied warranty that the Defective
18 Cranksets and Class Bicycles were in merchantable condition and fit for the ordinary
19 purpose for which they were to be used pursuant to N.Y. U.C.C. §§ 2-314.

20 662. The Defective Cranksets and Class Bicycles are not merchantable and,
21 as such, Defendants breached their implied warranties, because at the time of sale and
22 all times thereafter:

- 23 a. The Class Bicycles and Defective Cranksets suffer from a safety defect
24 that renders them unsafe to ride and/or operate;
25 b. The Defective Cranksets and the Class Bicycles would not pass without
26 objection in the bicycle trade given the Crankset Defect;
27
28

1 c. The Crankset Defect renders the Defective Cranksets and Class Bicycles
2 unsafe to ride and unfit for ordinary purposes; and

3 d. The Crankset Defect affects the central functionality of the Class
4 Bicycles and Defective Cranksets.

5 663. Due to the Crankset Defect, Plaintiffs and the other Class Members
6 cannot operate their Class Bicycles and Defective Cranksets as intended, substantially
7 free from defects. The Class Bicycles and Defective Cranksets do not provide a safe
8 and reliable way to propel a bicycle forward and pose a serious risk of injury,
9 including crashing, bone fracture, laceration, and death. As a result, Plaintiffs and the
10 other Class Members cannot use their Class Bicycles and Defective Cranksets for the
11 purposes for which they purchased them.

12 664. Plaintiffs and the other Class Members timely provided Defendant notice
13 of the issues raised in this count and this Complaint and an opportunity to cure, as
14 alleged in the paragraphs addressing Defendant's notice, above.

15 665. Alternatively, Plaintiffs and the other Class Members were excused from
16 providing Defendant with notice and an opportunity to cure the breach, because it
17 would have been futile. As alleged above, Defendant knew about the Crankset Defect
18 for years. Moreover, although Defendant issued a recall, that recall is inadequate
19 because, inter alia: (a) it is belated because Defendant knew about the Defective
20 Cranksets, including the Defective Cranksets installed in Class Bicycles, for years and
21 did nothing to recall or remedy the serious safety defect; (b) with hundreds of
22 thousands of Class Bicycles and Defective Cranksets impacted in existing and
23 potential future recalls, as a result of Defendant's misrepresentations about and
24 omission/concealment of the Crankset Defect, the recalls cannot be implemented
25 effectively due to supply constraints and resulting delays; and (c) the recalls are
26 incomplete, and apply to only a subset of the Class Bicycles and Defective Cranksets.

1 671. For purposes of this count, Defendant Shimano shall be referred to as
2 “Defendant.”

3 672. Plaintiffs and Class Members are “persons” under N.Y. Gen. Bus. Law
4 § 349(h).

5 673. Defendant is a “person,” “firm,” “corporation,” or “association” under
6 N.Y. Gen. Bus. Law § 349.

7 674. The New York Deceptive Acts and Practices Act (“New York DAPA”)
8 prohibits “[d]eceptive acts or practices in the conduct of any business, trade or
9 commerce[.]” N.Y. Gen. Bus. Law § 349.

10 675. In the course of its business, Defendant, through its agents, employees,
11 and/or subsidiaries, violated the New York DAPA by knowingly and intentionally
12 misrepresenting, omitting, concealing, and/or failing to disclose material facts
13 regarding the reliability, safety, and performance of the Class Bicycles and
14 Defective Cranksets, as detailed above.

15 676. Defendant had an ongoing duty to Plaintiffs and the other Class Members
16 to refrain from unfair or deceptive practices under the New York DAPA in the course
17 of its business. Specifically, Defendant owed Plaintiffs and the other Class Members
18 a duty to disclose all the material facts concerning the Defective Cranksets and the
19 Defective Cranksets in the Class Bicycles because:

- 20 a. Given the Defendant’s role in the design, manufacture, testing, and sale
21 of the Class Bicycles and Defective Cranksets, and their experience and
22 knowledge as experts and long-time veterans of the bicycle industry,
23 they possessed exclusive access to and were in a superior position to
24 know the true facts about the Class Bicycles and Defective Cranksets;
- 25 b. Given Shimano’s design, development, testing and manufacture of the
26 Defective Cranksets and its experience and knowledge as an expert and
27 long-time veteran of the bicycle industry, it, along with the Bicycle
28

1 Manufacturer Defendants, possessed exclusive access to and was in a
2 superior position to know the true facts about the Defective Cranksets;

3 c. Defendant knew that the Class Bicycles and Defective Cranksets gave
4 rise to serious safety concerns for the consumers who purchased the
5 Class Bicycles and Defective Cranksets;

6 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and
7 the other Class Members lacked the sophisticated expertise in bicycle
8 and crankset components and design and technology necessary to
9 discover that the Class Bicycles and Defective Cranksets were defective;

10 e. Plaintiffs and the other Class Members could not reasonably have been
11 expected to learn or discover that the Class Bicycles and Defective
12 Cranksets had a safety defect before purchase;

13 f. Defendant knew that Plaintiffs and the other Class Members could not
14 reasonably have been expected to learn or discover the defect and the
15 associated repair or replacement costs;

16 g. Defendant knew that the Class Bicycles and Defective Cranksets, and
17 the defect therein, gave rise to serious safety concerns for consumers
18 who purchased them;

19 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
20 in that, among other things, the Defective Cranksets can break during
21 normal use and riding, causing loss of balance and accidents that can lead
22 to severe and potentially fatal injuries;

23 i. Defendant knew about and investigated the Crankset Defect, but then did
24 not notify consumers about it, disclose the Crankset Defect to CPSC, or
25 further launch a comprehensive recall for all Class Bicycles and
26 Defective Cranksets, which individually and together deprived Plaintiffs
27 of an opportunity that otherwise could have led them to discover the truth
28

1 about the Crankset Defect in their Class Bicycles and Defective
2 Cranksets;

3 j. Defendant actively concealed the defect and the associated repair and
4 replacement costs by responding to negative reviews and inquiries
5 without disclosing the defect, asserting that the Class Bicycles and
6 Defective Cranksets were not defective, asserting that non-design factors
7 caused problems with the Defective Cranksets, and replacing defectively
8 designed Class Bicycles and Defective Cranksets with identical
9 defectively designed Class Bicycles and Defective Cranksets; and

10 k. Defendant made, helped to make, or conspired to make partial and
11 incomplete representations about strength, safety, quality, durability,
12 dependability and reliability of the Class Bicycles and Defective
13 Cranksets, while purposefully withholding material facts about a known
14 safety defect. Because they volunteered to provide information about the
15 Class Bicycles and Defective Cranksets that they marketed and offered
16 for sale to consumers, Defendant had the duty to disclose the whole truth.

17 677. By misrepresenting the Class Bicycles and Defective Cranksets as
18 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free
19 from defects, and/or by failing to disclose and actively concealing the dangers and
20 risk posed by the Crankset Defect to consumers and CPSC, Defendant engaged in one
21 or more of the unfair or deceptive business practices prohibited by N.Y. Gen. Bus.
22 Law § 349.

23 678. Defendant's unfair or deceptive acts or practices, including its
24 misrepresentations, concealments, omissions, and/or suppressions of material facts,
25 were designed to mislead and had a tendency or capacity to mislead and create a false
26 impression in consumers that the Class Bicycles and Defective Cranksets were strong,
27 safe, dependable, durable and reliable, and had properly-functioning cranksets that
28

1 would properly function and be reliable. Defendant's misrepresentations,
2 concealments, omissions, and suppressions of material facts did, in fact, deceive
3 reasonable consumers, including Plaintiffs and the other Class Members, about the
4 true value, safety, strength, dependability, durability, and reliability of the Class
5 Bicycles and Defective Cranksets

6 679. Defendant intended for Plaintiffs and the other Class Members to rely on
7 their misrepresentations, omissions, and concealment – which they did by purchasing
8 the Defective Cranksets and Class Bicycles at the prices they paid believing that their
9 Defective Cranksets and Class Bicycles would not have a Crankset Defect that would
10 affect the strength, quality, durability, dependability, reliability, and safety of the
11 Class Bicycles and the Defective Cranksets.

12 680. Defendant's misrepresentations, concealments, omissions, and
13 suppressions of material facts regarding the Crankset Defect and true characteristics
14 of the Defective Cranksets and Class Bicycles were material to the decisions of
15 Plaintiffs and the other Class Members to purchase those cranksets and bicycles, as
16 Defendant intended. Plaintiffs and the other Class Members were exposed to those
17 misrepresentations, concealments, omissions, and suppressions of material facts, and
18 relied on Defendant's misrepresentations that the Class Bicycles and their Defective
19 Cranksets were safe and reliable in deciding to purchase the Class Bicycles and
20 Defective Cranksets.

21 681. Plaintiffs' and other Class Members' reliance was reasonable, as they
22 had no way of discerning that Defendant's representations were false and misleading,
23 or otherwise learning the facts that Defendant had concealed or failed to disclose.
24 Plaintiffs and the other Class Members did not, and could not, unravel Defendant's
25 deception on their own.

26 682. A reasonable consumer would have considered them important in
27 deciding whether to purchase Defendant's Class Bicycles and Defective Cranksets or
28

1 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and
2 the Class members would not have purchased the Defective Cranksets and/or Class
3 Bicycles, or would have paid significantly less for them.

4 683. As a direct and proximate result of Defendant's deceptive practices,
5 Plaintiffs and the other Class Members have sustained economic injury and loss –
6 either by purchasing a crankset or bicycle they otherwise would not have purchased
7 or paying more than they otherwise would have as a result of Defendant's actions and
8 omissions alleged above – that first occurred at the time each Defective Crankset
9 and/or Class Bicycle was purchased.

10 684. Defendant's violations present a continuing risk to Plaintiffs and the
11 other Class Members, as well as to the general public, because the Class Bicycles and
12 Defective Cranksets remain unsafe due to the Crankset Defect therein. Defendant's
13 unlawful acts and practices complained of herein affect the public interest.

14 685. Pursuant to N.Y. Gen. Bus. Law § 349, Plaintiffs and Class Members
15 seek an order enjoining the above unfair or deceptive acts or practices and awarding
16 actual damages, punitive damages, and any other just and proper relief available under
17 the New York DAPA against Defendant.

18 **D. COUNT XXVIII: VIOLATIONS OF NEW YORK GENERAL**
19 **BUSINESS LAW § 350 (N.Y. GEN. BUS. LAW § 350, *ET SEQ.*)**

20 (Against Shimano)

21 686. Plaintiffs reallege and incorporate by reference each of the allegations in
22 Paragraphs 1-158, above, as though fully set forth herein.

23 687. Plaintiffs Adelman and Kouyate bring this count under New York law,
24 individually and on behalf of the other members of the New York Subclass against
25 Shimano for the Defective Cranksets.
26
27
28

1 688. For purposes of this count, Plaintiffs Adelman and Kouyate shall be
2 referred to as “Plaintiffs,” and members of the California Subclass shall be referred
3 to as “Class Members.”

4 689. For purposes of this count, Defendant Shimano shall be referred to as
5 “Defendant.”

6 690. Defendant was and is engaged in “conduct of business, trade or
7 commerce” within the meaning of N.Y. Gen. Bus. Law § 350.

8 691. The New York False Advertising Act (“New York FAA”) prohibits
9 “[f]alse advertising in the conduct of any business, trade or commerce.” N.Y. Gen.
10 Bus. Law § 350.

11 692. Defendant caused to be made or disseminated through New York,
12 through advertising, marketing, and other publications, statements that were untrue or
13 misleading, and which were known, or which by exercise of reasonable care should
14 have been known by them to be untrue and misleading to consumers, including
15 Plaintiffs and other Class Members. Numerous examples of these statements and
16 advertisements appear in the preceding paragraphs throughout this Complaint.

17 693. In the course of their business, Defendant, through its agents, employees,
18 and/or subsidiaries, violated the New York FAA by knowingly and intentionally
19 misrepresenting, omitting, concealing, and/or failing to disclose material facts
20 regarding the reliability, safety, and performance of the Class Bicycles and Defective
21 Cranksets, as detailed above.

22 694. Defendant had an ongoing duty to Plaintiffs and the other Class Members
23 to refrain from unfair or deceptive practices under the New York FAA in the course
24 of its business. Specifically, Defendant owed Plaintiffs and the other Class Members
25 a duty to disclose all the material facts concerning the Defective Cranksets and the
26 Defective Cranksets in the Class Bicycles because:

- 1 a. Given the Defendant's role in the design, manufacture, testing, and sale
2 of the Defective Cranksets, and their experience and knowledge as
3 experts and long-time veterans of the bicycle industry, it possessed
4 exclusive access to and was in a superior position to know the true facts
5 about the Class Bicycles and Defective Cranksets;
- 6 b. Given Shimano's design, development, testing and manufacture of the
7 Defective Cranksets and its experience and knowledge as an expert and
8 long-time veteran of the bicycle industry, it possessed exclusive access
9 to and was in a superior position to know the true facts about the
10 Defective Cranksets;
- 11 c. Defendant knew that the Class Bicycles and Defective Cranksets gave
12 rise to serious safety concerns for the consumers who purchased the
13 Class Bicycles and Defective Cranksets;
- 14 d. Given the Crankset Defect's hidden and technical nature, Plaintiffs and
15 the other Class Members lacked the sophisticated expertise in bicycle
16 and crankset components and design and technology necessary to
17 discover that the Class Bicycles and Defective Cranksets were defective;
- 18 e. Plaintiffs and the Class Members could not reasonably have been
19 expected to learn or discover that the Class Bicycles and Defective
20 Cranksets had a safety defect before purchase;
- 21 f. Defendant knew that Plaintiffs and the other Class Members could not
22 reasonably have been expected to learn or discover the defect and the
23 associated repair or replacement costs;
- 24 g. Defendant knew that the Class Bicycles and Defective Cranksets, and
25 the defect therein, gave rise to serious safety concerns for consumers
26 who purchased them;
- 27
28

- 1 h. The Class Bicycles and Defective Cranksets pose a severe risk of harm
2 in that, among other things, the Defective Cranksets can break during
3 normal use and riding, causing loss of balance and accidents that can lead
4 to severe and potentially fatal injuries;
- 5 i. Defendant knew about and investigated the Crankset Defect, but then did
6 not notify consumers about it, disclose the Crankset Defect to CPSC, or
7 further launch a comprehensive recall for all Class Bicycles and
8 Defective Cranksets, which individually and together deprived Plaintiffs
9 of an opportunity that otherwise could have led them to discover the truth
10 about the Crankset Defect in their Class Bicycles and Defective
11 Cranksets;
- 12 j. Defendant actively concealed the defect and the associated repair and
13 replacement costs by responding to negative reviews and inquiries
14 without disclosing the defect, asserting that the Class Bicycles and
15 Defective Cranksets were not defective, asserting that non-design factors
16 caused problems with the Defective Cranksets, and replacing defectively
17 designed Class Bicycles and Defective Cranksets with identical
18 defectively designed Class Bicycles and Defective Cranksets; and
- 19 k. Defendant made, helped to make, or conspired to make partial and
20 incomplete representations about strength, safety, quality, durability,
21 dependability and reliability of the Class Bicycles and Defective
22 Cranksets, while purposefully withholding material facts about a known
23 safety defect. Because it volunteered to provide information about the
24 Class Bicycles and Defective Cranksets that it marketed and offered for
25 sale to consumers, Defendant had the duty to disclose the whole truth.

26 695. By misrepresenting the Class Bicycles and Defective Cranksets as
27 strong, high-quality, safe, dependable, durable, reliable, properly-functioning and free
28

1 from defects, and/or by failing to disclose and actively concealing the dangers and
2 risk posed by the Crankset Defect to consumers and CPSC, Defendant engaged in one
3 or more of the unfair or deceptive business practices prohibited by N.Y. Gen. Bus.
4 Law § 350.

5 696. Defendant's unfair or deceptive acts or practices, including its
6 misrepresentations, concealments, omissions, and/or suppressions of material facts,
7 were designed to mislead and had a tendency or capacity to mislead and create a false
8 impression in consumers that the Class Bicycles and Defective Cranksets were strong,
9 safe, dependable, durable and reliable, and had properly-functioning cranksets that
10 would properly function and be reliable. Defendant's misrepresentations,
11 concealments, omissions, and suppressions of material facts did, in fact, deceive
12 reasonable consumers, including Plaintiffs and the other Class Members, about the
13 true value, safety, strength, dependability, durability, and reliability of the Class
14 Bicycles and Defective Cranksets

15 697. Defendant intended for Plaintiffs and the other Class Members to rely on
16 its misrepresentations, omissions, and concealment – which they did by purchasing
17 the Defective Cranksets and Class Bicycles at the prices they paid believing that their
18 Defective Cranksets and Class Bicycles would not have a Crankset Defect that would
19 affect the strength, quality, durability, dependability, reliability, and safety of the
20 Class Bicycles and the Defective Cranksets.

21 698. Defendant's misrepresentations, concealments, omissions, and
22 suppressions of material facts regarding the Crankset Defect and true characteristics
23 of the Defective Cranksets and Class Bicycles were material to the decisions of
24 Plaintiffs and the other Class Members to purchase those cranksets and bicycles, as
25 Defendant intended. Plaintiffs and the other Class Members were exposed to those
26 misrepresentations, concealments, omissions, and suppressions of material facts, and
27 relied on Defendant's misrepresentations that the Class Bicycles and their Defective
28

1 Cranksets were safe and reliable in deciding to purchase the Class Bicycles and
2 Defective Cranksets.

3 699. Plaintiffs' and other Class Members' reliance was reasonable, as they
4 had no way of discerning that Defendant's representations were false and misleading,
5 or otherwise learning the facts that Defendant had concealed or failed to disclose.
6 Plaintiffs and the other Class Members did not, and could not, unravel Defendant's
7 deception on their own.

8 700. A reasonable consumer would have considered them important in
9 deciding whether to purchase Defendant's Class Bicycles and Defective Cranksets or
10 pay a lesser price. Had they known the truth about the Crankset Defect, Plaintiffs and
11 the other Class members would not have purchased the Defective Cranksets and/or
12 Class Bicycles, or would have paid significantly less for them.

13 701. As a direct and proximate result of Defendant's deceptive practices,
14 Plaintiffs and the other Class Members have sustained economic injury and loss –
15 either by purchasing a crankset or bicycle they otherwise would not have purchased
16 or paying more than they otherwise would have as a result of Defendant's actions and
17 omissions alleged above – that first occurred at the time each Defective Crankset
18 and/or Class Bicycle was purchased.

19 702. Defendant's violations present a continuing risk to Plaintiffs and the
20 other Class Members, as well as to the general public, because the Class Bicycles and
21 Defective Cranksets remain unsafe due to the Crankset Defect therein. Defendant's
22 unlawful acts and practices complained of herein affect the public interest.

23 703. Pursuant to N.Y. Gen. Bus. Law § 350, Plaintiffs and Class Members
24 seek an order enjoining the above unfair or deceptive acts or practices and awarding
25 actual damages, punitive damages, and any other just and proper relief available under
26 the New York FAA against Defendant.

1 **E. COUNT XXIX: FRAUD**

2 (Against Shimano)

3 704. Plaintiffs reallege and incorporate by reference each of the allegations in
4 Paragraphs 1-158, above, as though fully set forth herein.

5 705. Plaintiffs Adelman and Kouyate bring this count under New York law,
6 under both the misrepresentation and omission/concealment theories, under New
7 York law, individually and on behalf of the New York Subclass against Shimano for
8 the Defective Cranksets.

9 706. For purposes of this count, Plaintiffs Adelman and Kouyate shall be
10 referred to as “Plaintiffs,” and members of the New York Subclass shall be referred
11 to as “Class Members.”

12 707. For purposes of this count, Defendant Shimano shall be referred to as
13 “Defendant.”

14 **1. Affirmative Misrepresentation**

15 708. Defendant represented and marketed Defective Cranksets as strong, of
16 high-quality, durable, dependable, and reliable. These representations are understood
17 by consumers to mean that the Class Bicycles and Defective Cranksets are “safe” for
18 ordinary use.

19 709. The strength, quality, durability, dependability and reliability of the
20 Defective Cranksets and the Class Bicycles in which the Defective Cranksets were
21 installed were material facts because a reasonable person would find it important in
22 purchasing or retaining a new or used bicycle and because it directly impacts the value
23 of the Class Bicycles and Defective Cranksets purchased by Plaintiffs and the other
24 Class Members.

25 710. Defendants’ representations regarding the Defective Cranksets and Class
26 Bicycles’ strength, quality, durability, dependability and reliability—all terms that
27
28

1 signal “safety” to consumers—were false because the Class Bicycles and Defective
2 Cranksets contain the Crankset Defect that causes the cranksets to break during
3 normal use. In doing so, the presence of the Crankset Defect makes the Defective
4 Cranksets and Class Bicycles unsafe for normal use.

5 711. Defendant knew that its representations were false and intended
6 Plaintiffs and the other Class Members to rely on them—which they did by purchasing
7 the Class Bicycles and Defective Cranksets at the prices they paid believing that they
8 would not have a Crankset Defect that would affect the quality, reliability, durability,
9 strength and safety of the Class Bicycles and Defective Cranksets.

10 712. Plaintiffs’ and Class Members’ reliance was reasonable because a
11 reasonable consumer would not have expected that the Class Bicycles and Defective
12 Cranksets contained a safety defect that poses such a serious risk. They had no way
13 of learning the facts that Defendant had concealed or failed to disclose. Plaintiffs and
14 the other Class Members did not, and could not, unravel Defendant’s deception on
15 their own.

16 713. Had Plaintiffs and the other Class Members known of the Crankset
17 Defect within the Class Bicycles or Defective Cranksets, they would not have
18 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

19 714. As a direct and proximate result of Defendant’s omissions and
20 concealment, Plaintiffs and other Class Members either overpaid for the Class
21 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or
22 Defective Cranksets at all if the Crankset Defect had been disclosed to them.
23 Accordingly, Defendant is liable to Plaintiffs and the other Class Members for their
24 damages in an amount to be proven at trial.

25 715. Defendant acted maliciously, oppressively, deliberately, with intent to
26 defraud; in reckless disregard of the Plaintiffs’ and Class Members’ rights and well-
27 being; and to enrich themselves. Defendant’s misconduct warrants an assessment of
28

punitive damages, as permitted by law, in an amount sufficient to deter such conduct in the future, which amount shall be determined according to proof at trial.

2. Omission/Concealment

716. Defendant is liable for fraud by omission, concealment, and/or non-disclosure. *See, e.g.*, Restatement (Second) of Torts §§ 550-51 (1977).

717. Defendant owed Plaintiffs and the other Class Members a duty to disclose all the material facts concerning the Defective Cranksets in the Class Bicycles and Defective Cranksets because:

- a. Given the Defendants' role in the design, manufacture, pre-sale testing, sale, and post-sale monitoring of the Class Bicycles and Defective Cranksets, and its experience and knowledge as experts and long-time veterans of the bicycle industry, it possessed exclusive access to and was in a superior position to know the true facts about the Class Bicycles and Defective Cranksets;
- b. Given Shimano's design, development, testing and manufacture of the Defective Cranksets and its experience and knowledge as an expert and long-time veteran of the bicycle industry, it possessed exclusive access to and was in a superior position to know the true facts about the Defective Cranksets, including their component parts, design, adhesive properties, and other information not known to Plaintiffs or Class Members;
- c. Defendant knew that the Class Bicycles and Defective Cranksets gave rise to serious safety concerns for the consumers who purchased the Class Bicycles and Defective Cranksets;
- d. Given the Crankset Defect's hidden, proprietary, and technical nature, Plaintiffs and the other Class Members lacked the sophisticated expertise in bicycle and crankset components and

1 design and technology necessary to discover that the Class Bicycles
2 and Defective Cranksets were defective;

3 e. Plaintiffs and the Class Members could not reasonably have been
4 expected to learn or discover that the Class Bicycles and Defective
5 Cranksets had a safety defect before purchase;

6 f. Defendant knew that Plaintiffs and the other Class Members could
7 not reasonably have been expected to learn or discover the defect
8 and the associated repair or replacement costs;

9 g. Defendant knew that the Class Bicycles and Defective Cranksets,
10 and the defect therein, gave rise to serious safety concerns for
11 consumers who purchased them;

12 h. The Class Bicycles and Defective Cranksets pose a severe risk of
13 harm in that, among other things, the Defective Cranksets can break
14 during normal use and riding, causing loss of balance and accidents
15 that can lead to severe and potentially fatal injuries;

16 i. Defendant knew about and investigated the Crankset Defect, but
17 then did not notify consumers about it, disclose the Crankset Defect
18 to CPSC, or further launch a comprehensive recall for all Class
19 Bicycles and Defective Cranksets, which individually and together
20 deprived Plaintiffs of an opportunity that otherwise could have led
21 them to discover the truth about the Crankset Defect in their Class
22 Bicycles and Defective Cranksets;

23 j. Defendant actively concealed the defect and the associated repair
24 and replacement costs by responding to negative reviews and
25 inquiries without disclosing the defect, asserting that the Class
26 Bicycles and Defective Cranksets were not defective, asserting that
27 non-design factors caused problems with the Defective Cranksets,
28

1 and replacing defectively designed Class Bicycles and Defective
2 Cranksets with identical defectively designed Class Bicycles and
3 Defective Cranksets; and

4 k. Defendant made, helped to make, or conspired to make partial and
5 incomplete representations about strength, safety, quality,
6 durability, dependability and reliability of the Class Bicycles and
7 Defective Cranksets, while purposefully withholding material facts
8 about a known safety defect. Because it volunteered to provide
9 information about the Class Bicycles and Defective Cranksets that it
10 marketed and offered for sale to consumers, Defendant had the duty
11 to disclose the whole truth.

12 718. In breach of its duties, Defendant failed to disclose the Crankset Defect
13 and that the Class Bicycles and Defective Cranksets were not strong, safety, high-
14 quality, durable, durable or free of defects to Plaintiffs and the other Class Members
15 in connection with the sale of the Class Bicycles and Defective Cranksets.

16 719. The Crankset Defect within the Class Bicycles and Defective Cranksets
17 is material to the sale of the of the Class Bicycles and Defective Cranksets because a
18 reasonable person would find it important in purchasing or retaining a new or used
19 bicycle and because it directly impacts the value of the Class Bicycles and Defective
20 Cranksets purchased by Plaintiffs and the other Class Members.

21 720. Defendant intended for Plaintiffs and the other Class Members to rely on
22 their omissions and concealment—which they did by purchasing the Class Bicycles
23 and Defective Cranksets at the prices they paid believing that they would not have a
24 Crankset Defect that would affect the quality, reliability, durability, strength and
25 safety of the Class Bicycles and Defective Cranksets.

26 721. Plaintiffs' and Class Members' reliance was reasonable because a
27 reasonable consumer would not have expected that the Class Bicycles and Defective
28

1 Cranksets contained a safety defect that poses such a serious risk. They had no way
2 of learning the facts that Defendant had concealed or failed to disclose. Plaintiffs and
3 the other Class Members did not, and could not, unravel Defendant's deception on
4 their own.

5 722. Defendant actively concealed and suppressed these material facts, in
6 whole or in part, to maintain a market for the Class Bicycles and Defective Cranksets
7 installed in them, and the Defective Cranksets themselves, to protect profits, and to
8 avoid costly recalls that would expose them to liability for those expenses and harm
9 the commercial reputations of Defendant and their products. It did so at the expense
10 of Plaintiffs and the other Class Members.

11 723. If Defendant had fully and adequately disclosed the Crankset Defect to
12 consumers, Plaintiffs and the other Class Members would have seen such a disclosure.

13 724. Through its omissions and concealment with respect to the Crankset
14 Defect within the Class Bicycles and Defective Cranksets, Defendant intended to
15 induce, and did induce, Plaintiffs and the other Class Members to either purchase a
16 Class Bicycle or a Defective Crankset that they otherwise would not have purchased,
17 or pay more for than they otherwise would have paid for a Class Bicycle or Defective
18 Crankset.

19 725. Had Plaintiffs and the other Class Members known of the Crankset
20 Defect within the Class Bicycles or Defective Cranksets, they would not have
21 purchased the Class Bicycles or Defective Cranksets or would have paid less for them.

22 726. As a direct and proximate result of Defendant's omissions and
23 concealment, Plaintiffs and other Class Members either overpaid for the Class
24 Bicycles or Defective Cranksets, or would not have purchased the Class Bicycles or
25 Defective Cranksets at all if the Crankset Defect had been disclosed to them.
26 Accordingly, Defendant is liable to Plaintiffs and the other Class Members for their
27 damages in an amount to be proven at trial.
28

1 727. Defendant acted maliciously, oppressively, deliberately, with intent to
2 defraud; in reckless disregard of the Plaintiffs' and Class Members' rights and well-
3 being; and to enrich itself. Defendant's misconduct warrants an assessment of
4 punitive damages, as permitted by law, in an amount sufficient to deter such conduct
5 in the future, which amount shall be determined according to proof at trial.

6 **F. COUNT XXX: UNJUST ENRICHMENT**

7 (Against Shimano)

8 728. Plaintiffs reallege and incorporate by reference each of the allegations in
9 Paragraphs 1-158, above, as though fully set forth herein.

10 729. Plaintiffs Adelman and Kouyate bring this count under New York law,
11 individually and on behalf of the other members of the New York Subclass against
12 Shimano for the Defective Cranksets.

13 730. For purposes of this count, Plaintiffs Adelman and Kouyate shall be
14 referred to as "Plaintiffs," and members of the New York Subclass shall be referred
15 to as "Class Members."

16 731. For purposes of this count, Defendant Shimano shall be referred to as
17 "Defendant."

18 732. When they purchased the Class Bicycles or Defective Cranksets,
19 Plaintiffs and other Class Members conferred a tangible and material economic
20 benefits on Defendant. Defendant readily accepted and retained the benefits.

21 733. Plaintiffs and the other Class Members would not have purchased the
22 Defective Cranksets or Class Bicycles, or would have paid less for them, had they
23 known of the Crankset Defect at the time of purchase. Therefore, Defendant profited
24 from the sale of the Defective Cranksets and Class Bicycles to the detriment and
25 expense of Plaintiffs and the other Class Members.

26 734. Defendant knew or should have known that the payments rendered by
27 Plaintiffs and the other Class Members were given with the expectation that the Class
28

1 Bicycles and Defective Cranksets would have the qualities, characteristics, and
2 suitability for use represented and warranted by Defendant. Defendant appreciated the
3 economic benefits. The benefits were the expected result of Defendant acting in its
4 own pecuniary interest at the expense of Plaintiffs and the other Class Members.
5 Defendant knew of the benefits it was receiving because it was aware of the Crankset
6 Defect in the Class Bicycles and Defective Cranksets, yet it failed to disclose this
7 knowledge and misled Plaintiffs and the other Class Members regarding the nature
8 and quality of the Class Bicycles and Defective Cranksets while profiting from its
9 deception. As such, it would be unjust, inequitable, and unconscionable for Defendant
10 to retain the benefit of the payments under these circumstances.

11 735. By its wrongful acts and omissions described herein, including selling
12 the Class Bicycles and Defective Cranksets which contain the Crankset Defect,
13 Defendant was unjustly enriched at the expense of Plaintiffs and the other Class
14 Members.

15 736. Plaintiffs' and Class Members' detriment and Defendant's enrichment
16 were related to and flowed from the wrongful conduct challenged in this Complaint.

17 737. Defendant has profited from its unlawful, unfair, misleading, and
18 deceptive practices at the expense of Plaintiffs and the other Class Members. It would
19 be unjust, inequitable and unconscionable for Defendant to retain the profits, benefits,
20 and other compensation obtained from its wrongful conduct alleged herein.

21 738. Defendant has been unjustly enriched in retaining the revenues derived
22 from Plaintiffs' and Class Members' purchases of Class Bicycles and Defective
23 Cranksets, which retention of such revenues under these circumstances is unjust and
24 inequitable because Defendant manufactured the Class Bicycles and Defective
25 Cranksets, and Defendant affirmatively misrepresented and omitted and/or concealed
26 the nature of the Class Bicycles and Defective Cranksets, and knowingly marketed
27 and promoted dangerous and Class Bicycles and Defective Cranksets, which injured
28

1 Plaintiffs and the other Class Members because they would not have purchased the
2 Class Bicycles and Defective Cranksets based on the exact representations if the true
3 facts concerning the Class Bicycles and Defective Cranksets had been known.

4 739. Plaintiffs and putative Class Members are entitled to restitution and to
5 recover from Defendant all amounts wrongfully collected and improperly retained by
6 Defendant in the amount necessary to return Plaintiffs and the other Class Members
7 to the position they occupied prior to dealing with Defendants, with such amounts to
8 be determined at trial.

9 740. As a direct and proximate result of Defendants' wrongful conduct and
10 unjust enrichment, Plaintiffs and putative Class Members are entitled to restitution of,
11 disgorgement of, and/or imposition of a constructive trust upon all profits, benefits,
12 and other compensation obtained by Defendant for its inequitable and unlawful
13 conduct.

14 741. Plaintiffs plead this claim separately as well as in the alternative to claims
15 for damages under Fed. R. Civ. P. 8(a)(3), because if the Court dismisses Plaintiffs'
16 claims for damages or enters judgment on them in favor of the Defendant, Plaintiffs
17 will have no adequate legal remedy.

18 **REQUEST FOR RELIEF**

19 Plaintiffs, individually and on behalf of the other Class members, respectfully
20 requests that the Court enter judgment in their favor and against Defendants as
21 follows:

- 22 A. Entering an order certifying the proposed Classes, designating Plaintiffs
23 as the named representatives of the Classes, designating the undersigned
24 as Class Counsel, and making such further orders for the protection of
25 Class Members as the Court deems appropriate under Federal Rule of
26 Civil Procedure 23;

- 1 B. Directing that Defendants bear the costs of any notice sent to the
2 Class(es);
- 3 C. Declaring that the Defective Cranksets are defective;
- 4 D. Awarding to Plaintiffs and the other Class Members compensatory,
5 exemplary, and punitive remedies and damages and statutory penalties,
6 including interest, in an amount to be proven at trial;
- 7 E. Awarding restitution and other appropriate equitable relief to Plaintiffs
8 and the other Class Members;
- 9 F. Ordering an award to Plaintiffs and the other Class Members for the
10 return of the purchase prices of the Defective Cranksets and/or Class
11 Bicycles with interest from the time it was paid, for the reimbursement
12 of the reasonable expenses occasioned by the sale, for damages and for
13 reasonable attorney fees;
- 14 G. Ordering the institution of a Defendant-funded program, using
15 transparent, consistent, and reasonable protocols, under which out-of-
16 pocket and loss-of-use expenses and damages claims associated with the
17 Defective Cranksets and Class Bicycles, can be made and paid, such that
18 Defendants, not the Class members, absorb the losses and expenses fairly
19 traceable to the recall of the Defective Cranksets;
- 20 H. Declaring that Defendants must disgorge, for the benefit of Plaintiffs and
21 the other Class Members, all or part of the ill-gotten profits they received
22 from the sale of the Defective Cranksets and/or Class Bicycles, or make
23 full restitution to Plaintiffs and the other Class Members;
- 24 I. Granting an injunction against Defendants enjoining them from
25 conducting their business(es) through the unlawful, unfair, and
26 fraudulent acts or practices set forth herein;
- 27
28

- 1 J. Entering an Order requiring Defendants to fully and adequately disclose
2 the safety risks associated with the Class Bicycles and Defective
3 Cranksets to anyone who may still be at risk of buying and using the
4 Class Bicycles and Defective Cranksets;
5 K. Ordering a jury trial and damages according to proof;
6 L. Awarding attorneys' fees and costs, as allowed by law;
7 M. Awarding of pre-judgment and post-judgment interest, as provided by
8 law;
9 N. Granting Plaintiffs leave to amend their Complaint to conform to the
10 evidence produced during discovery and at trial; and
11 O. Ordering such other relief as may be appropriate under the
12 circumstances.

13 **JURY DEMAND**

14 Plaintiffs demand a trial by jury of all claims in this Complaint so triable.

15 Dated: June 6, 2025

16 By: /s/ Roland Tellis
17 Roland Tellis (SBN 186269)
18 Sterling Cluff (SBN 267142)
19 David Fernandes (SBN 280944)
20 **BARON & BUDD, P.C.**
21 15910 Ventura Blvd., Suite 1600
22 Encino, California 91436
23 Tel.: (818) 839-2333
24 rtellis@baronbudd.com
25 scluff@baronbudd.com
26 dfernandes@baronbudd.com
27
28

1 Adam J. Levitt*
2 John E. Tangren*
3 Daniel R. Ferri*
4 **DICELLO LEVITT LLP**
5 Ten North Dearborn Street, Sixth Floor
6 Chicago, Illinois 60602
7 Tel.: (312) 214-7900
8 alevitt@dicellolevitt.com
9 jtangren@dicellolevitt.com
10 dferri@dicellolevitt.com

6 Steven M. Jodlowski (SBN 239074)
7 **DICELLO LEVITT LLP**
8 4747 Executive Drive, Second Floor
9 San Diego, California 92121
10 Tel.: (619) 923-3939
11 stevej@dicellolevitt.com

10 Jason L. Lichtman**
11 Daniel Seltz**
12 **LIEFF CABRASER HEIMANN &**
13 **BERNSTEIN LLP**
14 250 Hudson Street
15 New York, New York 10013
16 Tel.: (212) 355-9500
17 jlichtman@lchb.com
18 dseltz@lchb.com

15 Eric S. Dwoskin*
16 **DWOSKIN WASDIN LLP**
17 433 Plaza Real, Suite 275
18 Boca Raton, Florida 33432
19 Tel.: (561) 849-8060
20 edwoskin@dwowas.com

18 Nicholas F. Wasdin*
19 **DWOSKIN WASDIN LLP**
20 110 North Wacker Drive
21 Chicago, Illinois 60606
22 Tel.: (312) 343-5361
23 nwasdin@dwowas.com

22 Alexander E. Wolfe (SBN 299775)
23 **MILBERG COLEMAN BRYSON**
24 **PHILLIPS GROSSMAN PLLC**
25 280 South Beverly Drive, Penthouse
26 Beverly Hills, California 90212
27 Tel.: (872) 365-7060
28 awolfe@milberg.com

1 Stephen G. Larson (SBN 145225)
2 **LARSON LLP**
3 555 South Flower Street, 30th Floor
4 Los Angeles, California 90071
5 Tel.: (213) 436-4888
6 slarson@larsonllp.com

7
8 ***Counsel for Plaintiffs and the Proposed***
9 ***Class***

10
11 *Admitted *pro hac vice*
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28